

Oregon School District

Procurement Card Procedure Manual

Updated January 2016

**An employee who is going to use a site card should read all sections,
except section VIII – Reconciliation.**

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I. Procurement Card Program Overview

A Procurement Card Program has been established to provide a more rapid receipt of low dollar items and to reduce the paperwork and handling costs associated with the payment of these purchases. The Procurement Card Program delegates the authority and capability of purchasing low dollar items directly to designated cardholders, allowing them to acquire materials faster and more efficiently than before.

Under the Procurement Card Program it will no longer be necessary for the cardholder to create a purchase requisition for qualifying items. Instead, you may directly purchase these items with a procurement card. Cardholders may now initiate a transaction in-person, by telephone, or online within established limits, and receive goods. The Financial Services Office will make periodic settlements with the financial institution responsible for issuing the procurement cards (the “card issuer”).

The procurement card enables cardholders, site and financial services staff to perform more effectively and focus on the value-added aspects of their jobs by:

- Reducing time needed to purchase and receive supplies
- Reducing paperwork (number of requisitions & purchase orders)
- Reducing supplier/vendor invoices
- Reducing invoicing problems
- Reducing the number of accounts payable checks issued

The Procurement Card Program is **NOT** intended to circumvent or replace the standard purchasing procedures of the District. It is every employee’s responsibility to be aware of and comply with the District’s procedures on purchasing.

In brief, a procurement card **IS**:

- Authority granted by the school district to specific employees for official school district use only
- Authorized for use with only certain categories of vendors and products/services
- A restricted use credit card

A procurement card **IS NOT**:

- A means to avoid appropriate purchasing or payment procedures
- A card to access cash or credit
- A right of employment
- For personal use

II. Obtaining a Procurement Card

1. Supervisors/Coordinators/Principals/Directors determine whether an employee should be issued a procurement card in their name or if the employee should use a site card.
 - A. If a site card is to be used, please see section Site Card Application/Issuance.
 - B. If a procurement card is to be assigned, the Supervisors/Coordinators/Principals/Directors should forward the application to the Business Manager in the Financial Services Office.
 1. Supervisors/Coordinators/Principals/Directors may approve personnel to become cardholders by signing a Procurement Card Application and forwarded it to the Business Manager in the Financial Services Office.
 2. The applicant should read the manual which is found at :
<https://sites.google.com/a/oregonsd.net/pr/purchasing-card-information>
 3. The Business Manager shall confirm whether or not the employee will be considered for cardholder privileges.
 4. When the Financial Services Office receives the procurement card, it will be forwarded to the cardholder. The card will not be issued to the cardholder until training is completed and the employee has signed the Procurement Card Issuance/Training form.
 5. Signature of this Issuance/Training form acknowledges that the cardholder understands the procedures and responsibilities of the procurement card.
 6. The Financial Services Office shall maintain all records of procurement card applications, issuance/training forms, limits, and lost/stolen/destroyed card information.

III. Personal Liability and Your Credit Rating

The use of the procurement card results in school district liability, NOT a personal liability for the cardholder. Your credit rating will not be affected. However, remember that you sign an agreement with the school district prior to receiving the card and, as such, you are responsible for any misuse of the card, as outlined in this manual.

IV. Guidelines for Card Use

The procurement card that the cardholder receives has his/her name embossed on it and shall be used only by the cardholder. NO OTHER PERSON IS AUTHORIZED to use that card. The

cardholder is authorized to make transactions on behalf of others in his/her school or department. However, the cardholder is ultimately responsible for all use of his/her card.

Use of the procurement card shall be limited to the following conditions:

- The total value of a good or service shall **NOT** exceed a cardholder's purchase limit(s) as established by the Supervisors/Coordinators/Principals/Directors/Business Manager.
- Purchases shall NOT be split into multiple transactions to bypass the District's procurement procedures.
- All items purchased "over the counter" must be immediately available at the time of procurement card use. **No back ordering of merchandise is allowed.**
- All orders should be shipped before a billing transaction occurs on the procurement card.
- The cardholder shall inform the vendor that the purchase is **NOT** subject to sales tax, as the District is tax exempt. The District's tax exempt number is printed on every procurement card (ES 42019). **The cardholder will be required to reimburse the District for any WI sales taxes charged.**
- Never provide your procurement card number to a person who calls or emails you. The cardholder should initiate all transactions.

Unauthorized Procurement Card Use

Procurement cards shall **NOT** be used for the following:

- a) Personal purchases or identification
- b) Daily or billing-period purchases which exceed the cardholder's purchase limits
- c) Purchases intended to bypass District purchasing procedures.
- d) Purchases split to circumvent purchase limits
- e) Meals, travel or entertainment expenses, **unless specifically authorized by budget holder**
- f) Telephone calls
- g) Telecommunications equipment (i.e. phones or cellular phones), **unless specifically authorized by the Financial Services Office.**
- h) Alcoholic beverages, drugs or pharmaceuticals
- i) Cash advances
- j) Insurance
- k) Computer hardware, software or peripherals, **unless specifically authorized by the Technology Director**
- l) Leases/Rentals of facilities/property
- m) Purchases that require a contract, **unless specifically authorized by the Financial Services Office.**
- n) Consultants or temporary help
- o) Services from a "Tax Reportable" or "1099" vendor. A tax reportable or 1099 vendor is defined as an individual, sole proprietorship or limited partnership that is paid more than

\$600 for services in a calendar year. All medical and/or attorney's fees are considered tax or 1099 reportable, regardless of their status. (?)

p) Purchases that are not permitted under District purchasing procedures

NOTE: A cardholder who makes unauthorized purchases or carelessly uses the procurement card may be liable for the total dollar of such unauthorized purchases plus any administrative fees charged by the card issuer in connection with the misuse. The cardholder will also be subject to disciplinary action, up to and including termination.

V. **Cardholder Spending Limits / Merchant Restrictions**

The Supervisors/Coordinators/Principals/Directors/Business Manager will approve the purchasing limits (daily, monthly, and billing cycle) for each cardholder. Each time a cardholder makes a purchase with his/her procurement card, these limits will be checked by the credit card company, and the authorization request will be declined, should the amount exceed the established limits.

Occasionally, a unique situation may require a purchase that exceeds a cardholder's established limits. If a cardholder requires a different card limit(s), please email your supervisor and the Procurement Card Auditor your request. Please include the limit(s) you would like your card to be set at, the reason why you need to change your limit(s), and the date you will need your new limit(s) to be available. There are three limits on each card: monthly billing cycle limit, daily limit, and vendor limit. The supervisor will email approval to the Procurement Card Auditor and she will contact the bank. The cardholder and supervisor will receive a confirming email once the change has been made at the bank.

Merchant category restrictions have also been established. These restrictions are set up specifically for the Oregon School District Procurement Cards and limits where the cards can be used.

VI. **General Instructions for Card Use – The Purchase**

You must have an **itemized receipt** for all purchases. All receipts and purchasing documents shall be retained as proof of purchase. These documents will be used to reconcile the cardholder's charges in Skyward.

The Oregon School District is tax exempt; therefore, tax shall not be charged to District purchases.

Cardholders will utilize the following "checklist" when making a purchase:

1. **Internet Purchasing**

- a) Only purchase items from companies that are reputable and creditable. If you know nothing about the company, please refrain from ordering from them.
- b) When entering credit card information, make sure you are on a secure site.
- c) Remember school district purchases are tax exempt. If tax is added onto your order prior to your checkout, you should cancel the order and call the company to arrange for a tax exempt purchase.
- d) Make sure the information you put into the vendor's shipping information will direct the purchase to you when the item is shipped. Please include the address of the school where you are located (the address on the billing statement).
- e) Make sure you receive an itemized receipt for your purchase.

2. "Over the Counter" Orders

- a) Before the cardholder visits a vendor site, he/she should make sure the vendor accepts procurement cards (credit cards).
- b) At the time of purchase, the cardholder should notify the vendor **that the school district is exempt from sales tax**. The exempt number is shown on the card. At some stores you will need to go to customer service in order for tax not to be charged to your credit card. Some known places that you need to go to customer services verses a regular checkout line are Wal-Mart, Office Max, Staples, and Best Buy.
- c) The cash register receipt and the procurement card receipt must be reviewed prior to signing to be sure:
 - ✓sales tax was not charged
 - ✓any discount offered was included
 - ✓sale price is accurate
 - ✓all prices are listed
 - ✓full description of items
 - ✓quantity is listed
 - ✓company name is noted
 - ✓transaction date is noted

3. Telephone Orders

- a) All phone orders must be initiated by the cardholder.

- b) Make sure the vendor accepts procurement cards (credit cards).
- c) Inform vendor that the order is tax exempt.
- d) Confirm with the vendor that the goods or services are available, meets the specifications and delivery requirements, etc.
- e) When making a purchase by telephone, the cardholder shall document the transaction (order number) on a sheet of paper. Also, document the company name, quantity, price(s), full description of the item(s), date of order, and name and telephone number of the person taking your order.
- f) The cardholder should direct the vendor to include the following information on the shipping label and packing list:

- ✓ Cardholder's name, school/department, and telephone number;
- ✓ Complete delivery address;
- ✓ The words "Procurement Card purchase";
- ✓ The vendor's order number.

Note: It is extremely important that all purchases be sent to the cardholder ordering the merchandise, as this will ensure that the documents necessary for the record keeping are readily available to the cardholder.

- Advise the staff member at your site who receives merchandise, of the vendor's name, anticipated delivery date, number of boxes expected, carrier (UPS, Fed Ex, etc.) and to notify the cardholder when delivery is made.

4. Fax Orders

- a) The use of the fax machine to place procurement card orders should be kept to a minimum. Fax orders are placed only when the company requires an order form with the procurement card number included.
- b) When placing a fax order, never leave the form unattended so that others that use the machine can copy the card number, etc.
- c) Make sure the vendor accepts procurement cards (credit cards).
- d) Confirm with the vendor that the goods or services are available, meets the specifications and delivery requirements, etc.
- e) When making a purchase by fax, the cardholder shall document the transaction (order number) on a fax order form. Also, document the company name, quantity, price(s), full description of the item(s), and date of order.
- f) Include the following information on your fax order form:

- ✓Company name
- ✓Quantity
- ✓Prices
- ✓Full description of item(s)
- ✓Date of order

➤Direct the vendor to include the following information on the shipping label and packing list:

- ✓ Cardholder’s name, school/department, and telephone number
- ✓ Complete delivery address
- ✓ The words “Procurement Card Purchase”
- ✓ The vendor’s order number

Note: It is extremely important that all purchases be sent to the cardholder ordering the merchandise, as this will ensure that the documents necessary for the record keeping are readily available to the cardholder.

➤ Advise the staff member at your site who receives merchandise, of the vendor’s name, anticipated delivery date, number of boxes expected, carrier (UPS, Fed Ex, etc.) and to notify the cardholder when delivery is made.

g) Retain a copy of the fax order form.

VII. Receipts, Sales Tax and Skyward Reconciliation

Receipts

The District requires an itemized receipt for each purchase. If a receipt is lost, you should contact the vendor to obtain a duplicate receipt. If the vendor is unable or unwilling to help you, the following options apply:

1. Call our procurement card provider at (800)263-2263 and ask for a duplicate receipt. If you are only provided a charge card slip receipt (receipt that does not itemize your purchase), you will also have to fill out the Procurement Card Lost Receipt/Detail Form.
2. You may use a Procurement Card Lost Receipt Form. Please complete the form with as much detail as possible and have your supervisor sign it. **This form may only be used twice in one school year. If use of this form occurs more than twice in one school year, your card will be suspended until the end of the school year (June 30th).** You may obtain a copy of the Procurement Card Lost Receipt Form on the District’s website under District Services and then Forms.
3. Pay the entire bill personally by paying your building secretary. You will be given a receipt to scan into Skyward.

Sales Tax

Most Oregon School District purchases are tax exempt; therefore, tax should not be charged to District purchases. If you were charged tax on your procurement card and the purchase is not being charged to an Activity Account (fund 21), you have two options. We will not ask for tax reimbursement on an Activity Fund Account.

1. Contact the vendor to ask for the tax to be reimbursed to your procurement card. If you are obtaining a credit back from the vendor for the tax and the credit is not obtained in the same billing cycle as the original purchase, don't forget to keep a copy of the original receipt showing the tax amount or a receipt showing the tax that was refunded to scan into Skyward.
2. Pay for the sales tax personally by paying your building secretary. You will be given a receipt to scan into Skyward.

Skyward Reconciliation and Sales Receipt/Tax Correction Notice

The District has established deadlines for each process in order to adhere to requirements for reporting, billing, and monthly reconciliation. These deadlines are important to ensure a smooth process. The Financial Services Office requires that, if you have procurement card transactions in a billing cycle, the transaction is reconciled in Skyward by the deadlines set below. Failure to reconcile your transactions in Skyward by the "Skyward Reconciliation deadline" may suspend your procurement card privileges.

If a transaction has been charged tax or you are missing a receipt, your transaction may be denied in Skyward. If your transaction is denied, please correct the issue by the Corrective Receipt/Sales Tax Deadline below. Failure to correct your transaction in Skyward by the "Corrective Receipt/Sales Tax deadline" may suspend your procurement card.

Billing Period	Skyward Reconciliation Deadline	Corrective Receipt/Sales Tax Deadline
7/6-8/5	8/15	10/5
8/6-9/5	9/15	11/5
9/6-10/5	10/15	12/5
10/6-11/5	11/15	1/5
11/6-12/5	12/15	2/5
12/6-1/5	1/15	3/5
1/6-2/5	2/15	4/5
2/6-3/5	3/15	5/5
3/6-4/5	4/15	6/5
4/6-5/5	5/15	7/5
5/6-6/5	6/15	7/5

6/6-6/30	7/1	7/10
7/1-7/5	7/15	8/5

All issues should be resolved in the same school year due to the closing of the fiscal year.

To resolve the receipt or sales tax issue, please resubmit your transaction with the corrected receipt. If the denial was due to tax, please resubmit the transaction indicating you have contacted the company and they will be issuing a credit for the tax. When the tax issue has been resolved, scan and attach the information in Skyward.

If you have not resolved the issue by the deadline, your card may be suspended. We will reactivate your card after the issue has been resolved.

VIII. Reconciliation

1. Card Holder Reconciliation

Procurement Card transactions will be uploaded into the Skyward system at least on a weekly basis. Transactions will be brought into the system with a default account number, which is an account that corresponds with your department/building. Please follow these steps to reconcile your procurement card transactions.

1. Go into Skyward:
2. Attach a receipt or invoice to the transaction,
3. Add a description to the purchase,
4. Change the account number (if needed), and approve the transaction.
5. Submit the transaction

For more information see <https://sites.google.com/a/oregonsd.net/forms-and-info/forms>

Procurement card transactions should be reconciled when they come into your inbox in Skyward. All transactions for each billing cycle are to be reconciled in Skyward by the cardholder by the 15th of the month. Billing cycles end on the 5th of each month. For example: for the billing cycle of 2/6/15-3/5/15, these transactions should be reconciled by March 15th, 2015. This deadline will be heavily enforced. Failure to reconcile by the deadline will result in loss of procurement card privileges.

2. Supervisor Approval of Purchases

Before the end of the day of the **20th of each month** the supervisor shall have reviewed and approved all purchases for the billing cycle in Skyward. If changes need to be made, the supervisor has the ability to change the description and/or the account number. The supervisor should not deny the transaction due to an account number change. The supervisor's approval indicates that the cardholder was authorized to make those purchases and that those purchases were made in accordance with the applicable

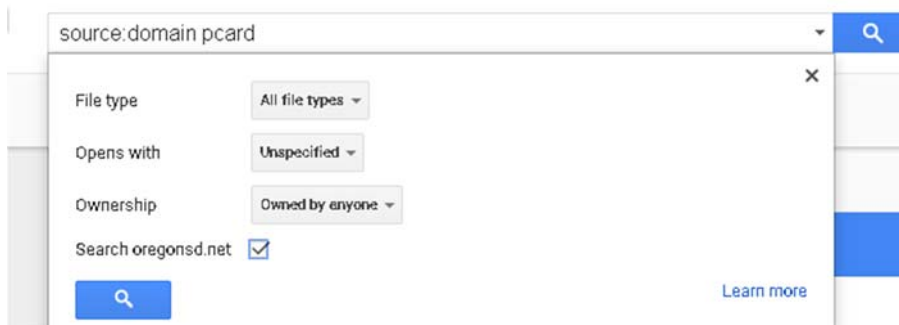
procedures. It is the supervisor's responsibility to report any discrepancies found to the Business Manager.

3. Auditing of the Transactions

All procurement card transactions will be audited. The auditor will ensure that there is a receipt attached to each transaction and the receipt matches the transaction. The auditor will follow the purchasing card auditing guidelines.

IX. Directions for Skyward

All directions for purchasing card transactions can be found in Goggle documents. To find directions in Goggle, search "Pcard". Please make sure to use the drop down arrow and check the box "search oregonsd.net"



X. Fixed Asset Items

Items which cost \$300.00 or more per item and are non-consumable are considered fixed asset items and need to be identified with a bar code as a fixed asset item.

Please complete a Fixed Asset Inventory form for all items that cost \$300.00 or more and are not a consumable item. The form is available on the web at:

<https://sites.google.com/a/oregonsd.net/forms-and-info/forms>

Please forward the inventory form to the Finance Director at the Financial Services Office.

The Financial Services Office will generate a fixed asset tag for the item and will forward the tag to you. Please attach this tag to the purchased item.

XI. Returns, Credits and Disputed Items

The cardholder is responsible for following up with the vendor or bank on any erroneous charges, disputed items or returns, as soon as possible. Disputed billings can result from: failure to receive the goods, defective merchandise, incorrect amounts, duplicate charges, credit not processed, as well as fraud and misuse. If you suspect fraud is involved, contact the Procurement Card Auditor immediately at extension 4010 or the Finance Director at extension 4013.

If you have a problem with a purchased item or a billing resulting from use of the procurement card, you should first try to reach a resolution with the vendor that provided the item. In most cases, disputes can be resolved directly between the cardholder and the vendor.

a) Credits

Contact the vendor and request that a credit be placed on your procurement card

b) Returns

If an item is not satisfactory, a wrong item is delivered, damaged and/or defective, duplicate order, etc., the cardholder should make contact with the vendor to explain the problem and get a credit issued. The cardholder should follow the return policies established by the vendor and the District. Record the return on the original receipt and staple any credit memos issued by the vendor to that receipt. Any item purchased with the procurement card that is returned **MUST** be returned for credit. **Do NOT accept a refund in cash or by check.** The credit may appear on a subsequent statement. If the credit appears on a subsequent statement, make a photocopy of the credit documentation to keep with the billing statement for the credit.

If the goods are returned in person, the original receipt must accompany the goods. A copy of the credit receipt for the returned goods must be obtained. Record the return on the original receipt and staple any credit memos issued by the vendor to that receipt.

If the goods are shipped, have the vendor send a credit memo, if possible. If a credit memo is not possible please enclose a copy of the original receipt indicating which items were returned. Be sure to look for the credit on your statement.

c) Disputed Items

If you have a disputed charge and cannot reach resolution with the vendor, please contact the Procurement Card Auditor at extension 4010 for more information.

Note: Make sure to keep documentation of credits, returns, and exchanges.

XII. Card Security

It is the cardholder's responsibility to safeguard his/her procurement card and card account number. Your procurement card should be treated with the same level of care you use with your personal credit cards.

- **Do not lend your card to anyone.** The only person authorized to use the procurement card is the person whose name is on the front of the card, unless a site or department card is being used.
- Guard your procurement card account number carefully. Do NOT post it or write it in any location that is accessible to others.
- Please reconcile your transactions promptly to ensure no unauthorized purchases were made.
- Never provide your procurement card number to a person who calls or emails you. The cardholder should initiate all transactions.

A violation of the card security procedure will result in the cardholder having his/her card withdrawn and may subject them to disciplinary action.

XIII. Reporting Lost or Stolen Cards

If the card is lost or stolen, the cardholder shall **immediately** notify our credit card provider (the card issuer) at **(800)361-3361**. Representatives are available 24 hours a day. The cardholder then should contact the Procurement Card Auditor at extension 4010 in the Financial Services Office.

Unlike most personal credit cards where the cardholders are responsible for paying the first \$50.00 if the card is stolen or misused, the Procurement Card Program holds the school/department responsible for paying all charges resulting from stolen or misused cards until our credit card provider has been notified.

XIV. Audits

The Financial Services staff will conduct audits of procurement card use. The primary purpose of these audits is to ensure that the Procurement Card Program procedures are being followed and that:

- Purchase volume appears reasonable
- The card is being used for appropriate transactions
- Documentation is complete and tax was not charged

XV. Consequences of Failure to Comply with Procurement Card Procedures

Any misuse/abuse of the card or other failure to comply with these procedures will result in the following cardholder consequences:

- Revocation of card.
- Disciplinary measures (up to and including termination of the cardholder).
- In addition, if the misuse involves personal transactions, the cardholder must repay to the District all personal amounts, including any applicable state and county sales taxes.

XVI. What if I Leave the School District or Transfer to Another Site?

If you leave the school district, you must return your procurement card to your supervisor. The supervisor is responsible for contacting the Procurement Card Auditor at extension 4010, who will cancel the card. Returned procurement cards are not reissued to other employees for use. Before returning a canceled procurement card to the Financial Services Office, cut the card in half.

If you transfer to another site in the District, we do not cancel your card and get a new one. Contact the Procurement Card Auditor at extension 4010, and let her know your new location. She will contact the bank and change your billing statement address and your administrator information. You will continue to use the same card that you have.

XVII. Site Card Application/Issuance

Site assigned procurement cards have been provided to each school and some departments.

The purpose of the site-assigned cards is to allow a school district employee, who occasionally has a need to use a procurement card, to use one without having one issued in his/her name.

Site-assigned cards are the responsibility of the building administrator. The building administrator can designate personnel who will be responsible for specific cards. The designee is responsible for card security and record keeping. Before a card is issued to an employee for a purchase the designee should:

- Ensure that the employee completed a Site Card Application/Issuance Form by checking if the name of the person is on the Goggle doc titled, :”Purchasing Card Authorization” This document can be found at:
<https://docs.google.com/spreadsheets/d/1rzmLSRv7NESWCws-8QusfT0Q8Rewrx7lsOGOuuFGE/edit#gid=0>
- If the employee is not listed on the Purchasing Card Authorization Document a Site Card Application/Issuance Form should be completed and forwarded to the District Services Office.

- Upon completion of the Site Card Application/Issuance Form the employee may sign out a Site Card from an authorized designee.

The employee who signs out a site card is responsible for:

- The card while in his/her possession.
- Obtaining an itemized receipt for their purchase. An itemized receipt includes each item purchased with the amount of each item. The total of items is the total purchase amount.
- Ensuring that the purchase was not charged tax. If the purchases was charged tax the employee who made the purchase is responsible for reimbursement to the District.
- Returning the card to the designee in a timely manner, normally at least by the following day after purchase.

XVIII. Key Contacts For Questions

The following resource persons are available to provide assistance, answer questions, or help solve any problems that arise:

Financial Services Office

Kelly Breitbach, Procurement Card Auditor x4010

- *District Procurement Card Auditor
- *Cardholder purchasing card limits
- *Disputed Transactions

Kara Newton, Finance Director x4013

- *Backup cardholder purchasing card limits
- *Skyward Issues
- *Fixed Asset Inventory Forms

Andy Weiland, Business Manager x4012

- *Procurement Card Application Form Approval

Appendix A Procurement Card Lost Receipt/Detail Form

If you were not provided with an itemized receipt, or you have lost your receipt and the vendor is unable to provide you with a copy, please complete this form.

Cardholder Name: _____

Vendor Name _____

Date of Purchase _____ Total Purchase Amount: _____

<u>Detailed List of Items</u>	<u>Cost</u>
Please be specific ; include more information than just “Supplies” or “Food”. A detailed description is one that lists specific items; such as, pens, binders, notepads, and pencils. Please list the cost of each item. The costs should equal charged amount on the statement.	
_____	_____
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_____	_____
_____	_____

(Attach another sheet of paper, if more space is needed to list items)

The purpose of this purchase was: _____

By signing this, I confirm I have used the purchasing card according to the procedures and guidelines set in the Purchasing Card Manual and that I have not purchased any personal items or alcoholic beverages. The above items are a true and accurate detailed description of what I purchased.

Employee Signature: _____

Date: _____

Supervisor Signature: _____

Date: _____