PURCHASING CARD
(P-Card)

Background

To provide a more efficient, cost-effective method for the purchasing and payment of authorized items and to simplify the procurement process, reduce paperwork, expedite vendor payments, and empower school and department administrators, the School District has implemented a Purchasing Card (P-Card) program to facilitate the acquisition of goods and services.

Use of the P-Card program eliminates the need for reimbursing personal out-of-pocket expenditures or maintaining large petty cash funds.

The P-Card program incorporates controls over certain types of expenditures to ensure that the card is used only with specific types of suppliers and within specific dollar limits.

Although a P-Card may be issued to an individual cardholder, the cardholder's personal credit rating is not affected by using the P-Card.

Liability for charges on the card rests with the school or department, not the individual cardholder.

1. Procedure

1.1. The Secretary-Treasurer authorizes the Purchasing Services Department (under the auspices of Corporate and Financial Services) to issue a P-Card to any employee at a school, district office or department, where appropriate and within the Board's approval for use.

1.2. The issuance of a P-Card represents the District's trust in the cardholder. The Purchasing Card manual provides further program details. The Cardholder is expected to comply with the established guidelines.

1.3. The P-Card account is a separate entity established by Board authorization for use by individuals at schools, district offices or departments.

1.4. The P-Card, although not a credit card, functions in much the same way as one.

1.5. Authorized cardholders must only use P-Cards for school district permitted purchases and for payment of goods and services within their authorization limits.

1.6. Reference Materials: Authorized purchases and procedural information can be found in the Purchasing Card Program Manual located on the School District my43 website, and *Administrative Procedure 514 – Procurement & Purchasing.*

2. Responsibilities

P-Card Administration

2.1. The P-Card Program Administration, including interaction between the School District and the P-Card financial institution will be managed by the Purchasing Services Department. These responsibilities include, and are not limited to:

2.1.1. Establishing with the P-Card financial institution, a P-Card account in the name of the applicant (P-Card holder or cardholder), with an appropriate credit limit and default general ledger account code. The name embossed on the card is the only person entitled to use the P-Card.

2.1.1.1. A P-Card may also be established in the name of the school for general use. The P-Card will be assigned under the responsibility of the school administrator.

2.1.2. Providing each cardholder a copy of the terms of use of the P-Card and ensuring the cardholder has signed the *Agreement to Accept Purchasing Card form* as acknowledgement of their responsibilities and obligations.

2.1.3. Maintaining a database of all cardholders.

2.1.4. Authorizing the issuance of new cards, arranging for card cancellation, and card replacement with the financial institution.

2.1.5. Maintaining approved merchant category codes.

2.1.6. Assisting in problem resolution with the Financial Institution.

2.1.7. Monitoring transactions for unusual activity or non-compliance on terms of usage and initiating appropriate action if necessary.

2.1.8. Developing and providing cardholder training.

P-Card Holder Responsibilities

2.2. The Purchasing Cardholder (P-Card holder or cardholder) is the individual, who has responsibility for the P-Card and overall management of its use and accepts full responsibility for the use of the card once activated, including:

2.2.1. Reading and agreeing to the terms of use of the P-Card and acknowledging it by signing the “Agreement to Accept Purchasing Card” form,

2.2.2. Authorizing disbursements within the acceptable limits of the spending authority, 2.2.3. Reviewing and reconciling all purchasing card transactions on a monthly basis, using the Financial Institutions online web portal.

2.2.4. Maintaining card security to prevent unauthorized charges against the account,

2.2.5. Ensuring purchases are in accordance with district policies, regulations, and best business and accounting practices,

2.2.6. Ensuring that all P-Card purchases that require shipment are delivered to a school or District address only,

2.2.7. Notifying the P-Card financial institution and the P-Card Program Administrator of lost or stolen cards,

2.2.7.1. Once reported to the financial institution, the account will be blocked instantly, minimizing the potential risk exposure. Verbal reports of lost or stolen P-Cards must be followed up in writing to the P-Card Program Administrator by email.

2.2.7.2. The school or department may be liable for any unauthorized use of the purchasing card until notification of loss, theft or cancellation has been reported to the financial institution by the cardholder.

2.2.8. Notifying the P-Card Administrator of disputed charges within fifteen days of the statement date and after attempting resolution directly with the merchant,

2.2.9. Adhering to all conditions, permissions, and restrictions on card usage as identified in Section 3, Section 4, and the Purchasing Card Manual.

2.2.10. Advising the P-Card Program Administrator of any changes in assignment (including termination) or personal information such as name or workplace address. Before leaving for their new assignment, the P-Card holder should ensure that all purchases made up to the point in change of their assignment are reconciled.

2.2.11. Returning the P-Card to their direct supervisor upon termination or retirement from the school district.

P-Card Approver Responsibilities

2.3. The P-Card Approver is the individual who is responsible for verifying purchases of P-Card holders assigned to them and is responsible for ensuring that purchases are appropriate and in compliance with P-Card guidelines and district Administrative Procedures. The P-Card Approver for the Superintendent will be the Secretary Treasurer. In all other cases, the P-Card Approver must not be a subordinate in the direct reporting line of the P-Card holder. In no circumstances should an individual be an Approver of their own P-Card. The P-Card Approver plays a critical role in ensuring the integrity of the procurement card program at the departmental level. Approvers are responsible for:

2.3.1. Reviewing all submitted P-Card transactions of assigned P-Card holders on a monthly basis using the Financial Institutions online web portal.

2.3.2. Monitoring transactions of assigned P-Card holders for appropriateness, compliance and documentation including explanations for unusual purchases.

2.3.3. Approving P-Card transactions of assigned P-Card holders in a timely manner.

2.3.4. Taking appropriate action if transactions are non-compliant.

2.3.5. Notifying the P-Card Program Administrator of change in departmental P-Card program participants including new assignments or terminations.

3. Non-Authorized Purchases

3.1. The Purchasing Card must not be used for the following types of transactions:

3.1.1. Personal purchases (with the exception of associations/professional dues approved by the employer),

3.1.2. Alcohol, tobacco, and drugs,

3.1.3. Cash advances,

3.1.4. Wages and salaries, including temporary help, as these must be paid directly by the Payroll Department to facilitate compliance with legislative and contractual requirements,

3.1.5. Donations of any kind,

3.1.6. Automotive repairs and services.

3.1.7. Digital Media Subscriptions.

4. Authorized Purchases subject to certain conditions or limitations

4.1. Use of the Purchasing Card for the following types of transactions are subject to certain conditions and or limitations:

4.1.1 Travel, hotels, restaurants, or entertainment (*See Administrative Procedure 527 Business and Travel Expenses*).

4.1.2 Fuel and gasoline *(requires pre-authorization from P-Card Administrator).* Fuel and gasoline purchases for district fleet vehicles and school buses must be purchased using district authorized Fuel Cards.

4.1.3 Gifts and Gift Cards (*See Administrative Procedure 508 Gift and Gift Cards*)

4.1.4 Electronic Equipment (*See Administrative Procedure 521 Electronic Equipment)*

4.1.5 Purchases of goods (excluding travel and training) in excess of $3,000, including taxes and delivery *(unless authorized by P-Card Administrator - See Administrative Procedure 514 Procurement & Purchasing).*

4.1.6 Extended rentals or leasing of equipment or vehicles *(unless authorized by P-Card Administrator)*,

4.1.7 Goods and/or services currently covered by District Contracts, Standing Offer Agreements or provided by other departments *(unless authorized by P-Card Administrator – See Administrative Procedure 514 Procurement & Purchasing).*

5. Transaction and Credit Limits

5.1 Each P-Card will be established with a default monthly credit limit of $5,000 with the exception of School Administrators who will have a monthly credit limit of $10,000.

5.2. Each P-Card will have a default per-transaction limit of $1,000 that may be increased to a maximum of $3,000 upon request to the P-Card Administrator. School Administrators will have a default per-transaction limit of $5,000.

5.3. Transactions cannot be split in order to circumvent the per transaction limit. Splitting transactions may result in a suspension or cancellation of the P-Card.

5.4. Monthly credit limits and per transaction limits can be temporarily increased in order to facilitate large expenditures, for example airfares for school trips.

5.4.1. Requests for temporary increases must be authorized by the P-Card holder’s Approver and the Plan Administrator.

5.5. Upon request, and at the discretion of the P-Card Administrator, individual P-Card credit and transactional limits may be set at higher amounts based on operational requirements.

6. Reviewing and Approving P-Card Transactions

6.1. Every cardholder is required to review their transactions by logging into the Financial Institution's web portal.

6.1.1. The cardholder will be provided with a user ID and password to access their account information on the Financial Institution's web portal.
6.1.2. Transactions can be reviewed any time during the month.

6.2. The same billing cycle will apply to all cardholders. The P-Card statement date is the 27th of the month. The cardholder will receive an email notification from the provider when their monthly statement is available. A link to the website will be included in the email communication.

6.3. The cardholder must review their monthly P-Card transactions by the last business day of the month.

6.3.1. During the review, the cardholder may change the default GL account for a transaction to another GL account number under their spending control.

6.3.2. If purchases made on a P-Card are to be paid with school-based funds, the P-Card holder must change the default GL Account to the school's receivable account (1-000-000- 7501-xxx) -where xxx is the location code for the school. The Financial Services Department will forward an invoice to the school before the end of the following month.

6.3.3. The Business Justification should be entered describing the details of the purchase where the nature of the transaction is not obvious or merits further explanation due to the amount of the transaction.

6.4 The cardholder must print their statement monthly, attach all receipts, (include explanations as necessary) and submit them to their school/departmental office for filing and storage.

6.5 The school/department clerical should review the package to ensure that all receipts are attached to the printed statement. Statements and receipts must be retained in the department for seven years and be made available to the Financial Services Department for auditing.

6.6 Approvers are required to approve the monthly transactions of the P-Card holders assigned to them which can be done by logging into the Financial Institutions web portal.

6.6.1 All reviews and approvals must be completed by the last business day of the month.

7. Procurement Card Accounting Procedures

7.1 The P-Card financial institution will provide one master bill for all P-Cards, by transaction, for each statement period in a format such that the transactions can be interfaced with the School District's computerized accounting system.

7.2 The Financial Services Department will interface the charges to the specific general ledger account provided for the transaction or the default general ledger account associated with each P- Card number.

7.3 Payment of the P-Card master bill will be made by the Financial Services Department through an automatic withdrawal.

7.4 The Financial Services Department will review the charges for general accuracy and will advise the P-Card Administrator of any material discrepancies.

7.5 Should the P-Card holder wish to change a general ledger account code for a particular transaction after it has been interfaced, such request should be sent to the Financial Services Department by completing a journal entry form.

7.6 All P-Card transactions are subject to audit through established internal or external procedures to determine whether they are being used in accordance with this procedure and guidelines provided.

7.7 Account inquiries should be forwarded to the Financial Services Department.

Last reviewed: March 2024

References:
AP508 – Gift and Gift Cards
AP514 – Procurement and Purchasing
AP521 – Electronic Equipment
AP527 – Business and Travel Expense
Purchasing Card Program – Cardholder Manual