

Sumter County School Board

Purchasing Card Program

Policy and Procedures Handbook

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Purchasing Card Program
Policy and Procedures
Handbook**

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PURPOSE

To provide guidance on the proper use of the Sumter County School Board Purchasing Card and establish policies which meet the following criteria:

- Provide an efficient and cost effective method of purchasing and paying for goods and services not exceeding \$999.00 per individual item.
- Reduce the use of petty cash and decrease Blanket Purchase Orders (BPO's).
- Ensure Purchasing Card purchases are in accordance with the Sumter County School Board policies and procedures.
- Reduce the time and money spent processing low dollar transactions.
- Ensure that the Sumter County School Board bears no legal liability from inappropriate use of purchasing cards.
- Provide for disciplinary action if the purchasing cards are misused.

SCOPE

These policies will apply to all Sumter County School Board employees participating in the program.

BACKGROUND

The Sumter County School Board is making available to certain School Board employees delegated authority to make minor purchases directly through a "Purchasing Card" system. This will allow cost centers flexibility to purchase small routine materials and supplies.

Certain controls have been developed for the Purchasing Card that does not exist in a traditional credit card. These controls ensure that the card is used only for specific purchases and within specific dollar limits. Also, certification by each cardholder is required for all purchases as well as authorization from the Site Administrator.

CARD DESCRIPTION

The Purchasing Card shall contain the District's name, Sumter County School Board, the cardholder's name or School, an account number and an expiration date.

PURCHASING CARD PROCEDURES

The Cost Center Administrator approving the assignment of a Purchasing Card will request two limits for each Cardholder: single purchase limit and billing cycle limit. (See Appendix A)

A purchase may be made of multiple items, but the invoice cannot exceed the Cardholder's limit. **Charges for purchases shall not be split to stay within the single purchase limit.** Splitting charges will be considered abuse of the Purchasing Card Program.

1. Definitions

- **Secretary** - Employees designated by Cost Center Administrator to be responsible for the reconciliation, documentation and account coding of Purchase Card transactions for a specified group of Cardholders.
- **Bank** - The financial institution which has entered into an agreement with the Sumter County School Board to provide the Purchasing Card Program (currently Regions).
- **Billing Cycle** - The monthly billing period that begins on a set date of each month and ends on the same day the following month, with a 15-day grace period before payment is due.
- **Principal/Cost Center Administrator** – The Department Head/Administrator responsible for approving Purchasing Card Transactions.
- **Capital Equipment** - Assets with a cost of \$1000 or more and a useful life of one year or more, including but not limited to furniture, equipment, vehicles, and computer hardware \$500 or more.
- **Cardholder Agreement** – Visa's terms and conditions that define Cardholder use of the purchasing card. See Appendix B.
- **Merchant Category Code (MCC) Limit** - A method to control where spending is allowed. All Visa merchants are assigned an industry-specific MCC code, which the Sumter County School Board can restrict from Purchasing Card access. Once an MCC code is blocked, all merchants within that category will be declined.
- **Monthly Limit** - The maximum dollar value of charges a Cardholder is authorized to make during the billing cycle.
- **Purchasing Card** - A charge card issued to an employee for the purpose of making authorized purchases on the Sumter County School Board's behalf.

- **Purchasing Card Administrator (PCA)** - The Purchasing Director or designee. This person is responsible for the administration of the Purchasing Card Program. An alternate will also be assigned.
- **Single Purchase Limit** - The maximum value of charges a Cardholder is authorized to make during a single transaction.

2. How It Works

- A Cost Center Administrator authorizes the issuance of a Purchasing Card to an employee.
- The Purchasing Card Administrator coordinates issuance of a Purchasing Card to an employee.
- A Cardholder presents goods or services for purchase to a vendor who accepts Visa.
- The vendor processes the card information to obtain authorization for the purchase.
- The Bank receives the transaction information electronically from Visa.
- The Bank verifies the account number and spending control limits on the card.
- The Cardholder receives the merchandise and a copy of the receipt.
- The Cardholder maintains the **original** receipt with funding source attached, then forwards to secretary.
- The vendor receives payment for the merchandise within 3 days.
- The secretary reconciles all purchases and credit activity on Skyward.
- The secretary forwards the month end report to finance. Month end report will be signed by the principal/administrator with all the original receipts attached, no later than the dates set by the PCA.
- Finance receives a monthly consolidated statement.
- Finance pays the consolidated statement to the Bank.

3. Responsibilities

A. Cardholder is responsible for the following:

- Holding and securing the Purchasing Card and card number;
- Buying supplies and services;
- **Informing vendor of tax exempt status prior to processing sale transaction;**
- Collecting and saving original sales receipts;
- Writing the funding source of the account/project to be charged, on the back of each receipt;
- Receiving and inspecting all ordered materials and services;
- Reporting discrepancies to vendor and following up with vendor until that discrepancy has been corrected;

- Identifying and handling disputed charges;
- Reviewing/verifying charges with the secretary;
- Submitting receipts to the secretary immediately following purchase;
- Complying with Sumter County School Board policy and procedures.
- Unauthorized purchases will result in disciplinary action and the employee will be required to make payment for any such transaction.

B. Secretary is responsible for the following:

- Maintaining purchasing card log. See Appendix C;
- Assisting in the handling of disputed items;
- Reconciling purchases on Skyward and verifying all credit are issued.
- Verifying/assigning account codes in a timely manner, no more than 7 days. This can be completed even if you do not have your receipt to scan.
- Ensuring sufficient budget dollars are available;
- Scan copies of receipts to Skyward to help with approvals.
- If tax is charged to a receipt contact Finance on doing a split transaction.
- Print end of month report, have it signed and forward to Finance with original receipts.
- When purchases are questioned, the secretary is responsible for resolving the issue with the Cardholder. If the secretary is not satisfied that the purchase was necessary and for official use, the Cardholder must provide either a credit voucher proving the item(s) were returned for credit or a personal check made payable to the Sumter County School Board for the full amount of the purchase, plus applicable sales tax. Checks must be sent along with the statement to Finance, with an explanation of why the violation occurred.

C. Cost Center Administrator is responsible for the following:

- Designating secretary and communicating same to the PCA;
- Requesting purchasing cards and pre-set limits;(See Appendix D)
- Evaluating the need to cancel or reissue cards;
- Collecting revoked cards from Cardholders and remitting to the PCA. (See Appendix E)

D. Purchasing Card Administrator (PCA) is responsible for the following:

- Reviewing and communicating to the Bank all Purchasing Card requests and changes to card limits;
- Training Cardholders;
- Coordinating the issuance and cancellation of cards;
- Maintaining program policy and procedures, Cardholder guides and/or manuals and all Cardholder Application Forms;
- Maintaining a list of all current secretaries;
- Coordinating and maintaining internal controls;
- Coordinating program policy issues;
- Participating in ongoing program reviews;
- Participating in resolving billing disputes;

- Monitoring program for compliance with all Sumter County School Board policy and procedures and recommending disciplinary action to Cost Center Administrators;
- Receiving approved monthly statements and supporting documentation from all secretaries;
- Performing a pre-audit over receipts and charges;
- Paying monthly charges from the consolidated statement;
- Filing monthly statements and supporting documentation;
- Administering 1099 reporting.

E. Bank is responsible for the following:

- Activating and deactivating purchasing cards at the request of the PCA;
- Paying suppliers;
- Controlling pre-defined Cardholder limits;
- Providing monthly statements and reporting information;
- Providing duplicate copies of sales receipts in case of disputed charges;
- Providing customer service.

4. Processes

A. Requesting a Purchasing Card

1. Purchasing Cards will be issued to Sumter County School Board employees who frequently purchase goods or services.
2. All requests for Purchasing Cards must be submitted by the Cost Center Administrator to the PCA on a Cardholder Information Form (Appendix D). No credit checks are made against individual cardholders.
3. The PCA will review the application and if approved coordinate the issuance of your Purchasing Card with Regions.
4. The Bank issues the Purchasing Card and mails it to the PCA. The PCA will contact new cardholder for training.
5. The Cardholder attends a mandatory Purchasing Card Program training session, signs the Cardholder Acceptance form (Appendix B), and receives a Purchasing Card, "Purchasing Card Handbook".
6. The Cardholder Agreement form will be retained in Finance.

B. Modifying Purchasing Card Limits

1. All requests for modifications to Cardholder limits must be submitted on the Cardholder Maintenance form by the Cost Center Administrator to the PCA. (See Appendix E)

2. The PCA reviews the modification and submits it to the Bank for processing.

C. Using the Purchasing Card – General Information

The Cardholder may pick up supplies or services, or place an order for these by telephone, facsimile or electronically. The supplies or services must be immediately available for pick up, shipped or delivered within the monthly billing cycle. The order should not be placed without this assurance. Back-ordering should be avoided when at all possible. Especially when using a federal project and at year end.

Telephone Orders: The Cardholder must confirm that the vendor will charge the Purchasing Card when shipment is made so that receipt of the supplies may be certified on the monthly statement. This is also a requirement of the vendor's contract with Visa. Notify vender of tax-exempt status. Receipt must be faxed to Cardholder.

Prohibited Purchases: The Purchasing Card is to be used for *Sumter County School Board* authorized purchases only. The Purchasing Card cannot be used for any personal use. The cardholder is the only person authorized to use their assigned Purchasing Visa Card, excluding department cards.

The following supplies and services shall not be purchased with the Purchasing Card:

- Personal Items
- Cash Advances
- Gas and Oil Products-except for lawn equipment and district vehicles.
- **Items Stocked in the Sumter County School Board Warehouse**
- Travel-excluding hotel and registration
- Meals or Entertainment
- Building Repairs
- Telephone Calls
- Capital Equipment
- Medical Services
- Legal Services
- Cellular Phones
- Gifts
- Annual Contracts
- Any other restrictions that may be placed by the PCA.

Dollar Limits: A purchase may be made up of multiple items, but the total invoice (including shipping) cannot exceed the Cardholders transaction limit.

Charges for purchases shall not be split to stay within the single purchase limit. Splitting charges will be considered abuse of the Purchasing Card Program. All Transaction Limits are subject to change with the proper notification.

Documentation: For all transactions, the Cardholder must obtain the original detailed receipt, which identifies every item purchased and the corresponding item cost. For telephone orders, the Cardholder must obtain the receipt and/or packing slip.

Missing Documentation: Where supporting documentation is missing, the Cardholder must contact the vendor and request a duplicate receipt. If the Cardholder is still unable to obtain documentation they must contact the PCA. Failure to provide adequate documentation will result in disciplinary action and employees may be required to make payment for such transaction.

Denied Purchase: The Cardholder must report a denied point of sale or other rejected purchases to the secretary. The secretary must advise the PCA of any known denied Cardholder purchase. Information to be provided includes Cardholder name and account number, vendor and date of declined sale. The PCA shall inquire into the denied sale, take appropriate action and report back to the secretary.

If a vendor refuses to accept a Purchasing Card, the Cardholder should report this fact to the secretary, who will forward this information to the PCA. Company purchasing procedures apply to the Purchasing Card as well. If you have any questions, please contact Finance prior to purchase.

Funding: You must follow your department's administrative funding procedures to ensure that sufficient funds are available **prior** to making a purchase.

Use of the Purchasing Card does not relieve you from complying with Federal, State, Local laws, ordinances, regulations, or Sumter County School Board policies and procedures.

If your Cost Center Administrator questions a purchase made by you, you must substantiate necessity or official use. Misuse of the Purchasing Card shall be subject to the immediate revocation of Purchasing Card privileges. Resolution of situations involving improper use of the Purchasing Card will be handled by the appropriate authority in accordance with Sumter County School Board Policies and Procedures, and reported to the PCA.

Questions: Questions regarding Purchasing Card procedures should be directed to PCA or Finance.

D. Resolving Returns and Credits, Disputes and Erroneous Charges

1. The Cardholder must attempt to resolve problems directly with the vendor. The vendor must issue a credit for billing errors, defective supplies or unacceptable services, returned supplies or canceled orders. This credit should appear on the Cardholder's statement within 60 days. Do not permit the vendor to issue cash to settle a disputed amount. **Under no circumstances can the employee accept cash.**
2. If the Cardholder is unable to resolve the issue with the vendor, or Cardholder's credit does not appear on the monthly statement within 60 days, Cardholder (with assistance from the secretary) should contact the Bank's Commercial Card Customer Service Group at 1-888-934-1087 to resolve the matter. This group will require the Cardholder to fax a **Purchasing Card Transaction Dispute Form**. Please see the PCA for the form. A copy of the Dispute Form must also be sent to the PCA.
3. When an account is in a dispute status, the disputed amount is still included in calculating the available money for authorizations (monthly limit). However, disputed items are removed from all finance charges, late charges, over-limit fees, past due amounts and calculations. Finance charges, which accrue from posting until the item is placed in dispute, must be handled according to Sumter County School Board policy.
4. After the item has been entered as a dispute, the Bank must determine who is responsible by researching the transaction including requesting a copy of the sales draft when necessary.
5. If the problem is resolved between the merchant and the Cardholder while the item is in dispute, the Cardholder should write the solution agreed upon on the bottom of the *Dispute Form* that was previously faxed to the Bank, and fax it to the Bank as soon as possible.
6. If it is ultimately determined that the Cardholder is actually responsible for the transaction, then the questioned amount will be added to the next monthly statement. If the Cardholder is not responsible for the transaction, the dispute is settled for the Cardholder and the charge-back process will be initiated against the merchant by the Bank.
7. If there continues to be problems with a particular merchant, the Cardholder should notify the PCA of the problems.

E. Reporting a Lost or Stolen Purchasing Card

If a card is lost or stolen, the Cardholder must immediately notify the Bank's customer service (at 1-888-934-1087) and the PCA. Access to the card will be immediately blocked, and the Cardholder shall not be responsible for any charges after the card is reported lost or stolen. The Cardholder must provide the Bank with the purchasing card's 16-digit account number. The Bank will also require the Cardholder to submit written confirmation by fax or by mail of the card cancellation request reported verbally. A replacement card will be issued by the Bank and delivered to the PCA.

F. Purchasing Card Termination

Terminated Employees: The Cost Center Administrator will immediately notify the PCA and secretary of terminated employees. The PCA is required to notify the Bank to cancel the card of a terminated employee within 24 hours of such termination.

During the exit interview, the Cost Center Administrator will obtain the Purchasing Card from the terminated employee. The Cost Center Administrator must notify the PCA when purchasing cards belonging to terminated employees are not returned.

The Cost Center Administrator must destroy returned purchasing cards by cutting the cards in two and must deliver them to the PCA along with the Cardholder Maintenance Form. See Appendix E

Revocation of Card: Purchasing Card privileges may be revoked upon the Cardholder's failure to follow Sumter County School Board policy and procedures. The Cost Center Administrator, the PCA and the Account Clerk will coordinate the revocation of Purchasing Cards. The PCA will immediately notify the bank to cancel any such cards.

The Cost Center Administrator will obtain the revoked Purchasing Card from the employee.

The Cost Center Administrator must destroy the returned Purchasing Card by cutting it in two and must deliver it to the PCA along with the Card Holder Maintenance Form. See Appendix E

G. Violations

The following actions are prohibited:

- Purchases of items specifically prohibited by policy;
- Purchases that exceed the Purchasing Card limits;
- Not reporting lost or stolen cards;

- Purchases from vendors that create a conflict of interest, (i.e., purchases from companies owned or operated by Sumter County School Board employee(s) and/or their relatives, etc.);
- Inadequate record keeping and/or documentation of purchases;
- **Acceptance of cash in lieu of a credit to the statement;**
- **Splitting of purchases within the single purchase limit.**
- Not following policies and procedures in Handbook.

Failure to comply with this policy may result in employee removal from the Purchasing Card Program and other disciplinary action as appropriate.

**SUMTER COUNTY SCHOOLS
PURCHASING CARD TRANSACTION LIMITS**

SITE	MONTHLY LIMIT	TRANSACTION LIMIT
<u>SCHOOLS</u>		
Principals	\$3000	\$1000
Secretary/Bookkeeper	\$5000	\$1000
Department Card	\$5000	\$1000
<u>COUNTY OFFICE</u>		
Administration	\$3000	\$1000
Secretary/Bookkeeper	\$3000	\$1000
Department Card	\$3000	\$1000
Accounts Payable Dept. Card	\$30000	\$0
<u>MAINTENANCE</u>		
Administration	\$3000	\$1000
Secretary	\$5000	\$5000
Warehouse	\$9000	\$8000
Department	\$25000	\$8000
<u>TRANSPORTATION</u>		
Administrator	\$3000	\$1000
Secretary	\$3000	\$1000
Manager	\$13000	\$5000
Mechanic	\$3000	\$1000
<u>FOOD SERVICE</u>		
Administration	\$3000	\$1000
Secretary	\$3000	\$1000
Manager	\$5000	\$3000

**SUMTER COUNTY SCHOOL BOARD
CARDHOLDER ACCEPTANCE FORM
USER AGREEMENT**

I AGREE TO THE FOLLOWING REGARDING THE USE OF THE SUMTER COUNTY SCHOOLS PURCHASING CARD ASSIGNED TO ME FOR THE OFFICIAL BUSINESS OF THE SCHOOL DISTRICT.

I understand that I am being entrusted with a powerful and valuable tool and will be making financial commitments on behalf of the Sumter county School District and will strive to obtain the best value for the district.

I understand that under NO circumstances will I use the purchasing card to make personal purchases, either for other or myself. Willful intent to use the purchasing card for personal gain or unauthorized use may result in disciplinary actions up to and including termination of employment and prosecution to the extent permitted by law.

I will follow purchasing policies of the Sumter County School Board and the established guidelines for using the purchasing card. Failure to do so may result in either revocation of my card privileges or other disciplinary action.

I agree to review and reconcile transactions timely and will maintain all applicable information and receipts.

I understand that I am the only person entitled to use the card and I am responsible for all charges made against the card.

I understand that no individual item over the cost of \$1000 (capitalized property) may be charged without an approved purchase order for the said item.

I understand failure to submit the appropriate receipts or invoices in a timely manner will be justification for loss of privileges.

I understand that lost or stolen cards MUST be reported to the finance department and Regions Bank 1-888-934-1087.

I agree that, should I violate the terms of the agreement, I will be subject to disciplinary action up to and including termination of employment and that I will reimburse the Sumter County School District for all incurred charges and any cost related to the collection or such charges.

Cardholder Name (Print)

Cardholder Signature

Date

SCHOOL DISTRICT OF SUMTER COUNTY CARDHOLDER INFORMATION FORM

Instructions: To apply for a SCSB Purchasing Card, complete this form in its entirety and mail or fax (793-4963) to the Finance Department.

To be completed by employee:

School/Department Name:		Center Number:
First Name:	Middle Initial:	Last Name: (Maximum 24 characters total)
Social Security Number:		
Home Phone Number:	Business Phone Number:	
School/Department Street Address:		
City:	State:	Zip Code:
Employee Signature:	Date:	

To be completed by Principal/Department Head:

Monthly Credit Limit: \$	Single Transaction Limit \$
Default Budget Account	
Principal/Department Head Signature:	Date:

School District of Sumter County Visa Limit Change Request Form

Instructions: To request a limit increase to a Purchasing Card, complete this form and email to Finance at deborah.smith@sumter.k12.fl.us

School/Department Name:	Center Number:
Cardholder's Name:	Account Number: (last 4 digits)

I would like to request a limit increase for the above credit card as stated below:

Information changed:

- Single Transaction Limit
- Monthly Credit Limit

Single Transaction Limit Request Amount: \$	
Monthly Credit Limit Request Amount: \$	
Limits will be returned to original amounts seven (7) days after request is approved.	

Reason for increase:

Requestor:	Date:
Approver:	Date:

FINANCE USE ONLY	
Date Changed: _____	Person Entering: _____
Original Single Limit: _____	
Original Monthly Limit: _____	
Date Returned to Original Limits: _____	Person Entering: _____