

DISTRICT PURCHASING CARD PROGRAM

Purpose

To set forth the Policies and Procedures for the District Purchasing Card Program.

Introduction

The Poway Unified School District (the district) Purchasing Card Program has been established to provide a convenient means to expedite small purchases and purchases of an urgent nature. The Finance Department is responsible for managing the Program and each school and department is responsible for managing its cardholder accounts. Two areas of responsibility have been defined within each school or department to assist in this management effort. They are the Cardholder and School or Department Head. It is important to understand that these areas of responsibility do not necessarily equate to two separate individuals within the school or department. It is permissible for one individual to be assigned one or more of these responsibilities as defined in these Policies and Procedures. The ultimate decision as to how each of these responsibilities is assigned will be made within each school or department.

Definitions

Purchasing Card: A credit card issued to an employee of the district for the purpose of making authorized purchases on the district's behalf. The district will issue payment for charges made with the Purchasing Card.

Cardholder: District full-time permanent employee whose name appears on the Purchasing Card and is accountable for all charges made with that card.

School or Department Head: District employee(s) within each school or department responsible for verifying that all charges against the Cardholder's account are approved and that the original documentation is sent to the Finance Department. School or Department Heads have the ability to allocate individual charges to any of the district budget accounts under their control. Cardholders may be their own School or Department Heads and a School or Department Head may oversee more than one Cardholder account depending on how the school or department elects to manage its accounts. A school or department may have more than one School or Department Head.

Program Administrator: The Finance Department employee responsible for administering the Purchasing Card Program for the district and acting as the main contact for the district.

Transaction / Spending Limit: A dollar limitation of purchasing authority assigned to the Cardholder for each total charge made with the Purchasing Card. This amount must not exceed the predetermined spending limit. School or departments establish limits on a per Cardholder basis. A single transaction/charge may include multiple items but cannot exceed the predetermined spending limit.

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Monthly Spending Limit: A dollar limitation of purchasing authority assigned to the Cardholder for the total of all charges made during each monthly billing cycle. School or departments establish limits on a per Cardholder basis.

Monthly Statement: A listing of all transactions charged to the Cardholder's card account up to the end of the monthly billing cycle. This statement is sent by the processor, directly to the Cardholder, on a monthly basis.

Default General Ledger Account: The district account code assigned to specific merchant category codes.

Support Documentation: A merchant-produced or non-district document that records the relevant details for each item purchased including quantities, amounts, a description of what was purchased, the total charge amount, and the merchant's name and address (e.g., sales receipt, original invoice, packing slip, credit receipt, etc.).

Receiving the Purchasing Card

A complete Cardholder Account Form must be submitted for each prospective Cardholder. The School or Department Head must sign this form, select the purchasing controls, and then forward to the Program Administrator.

All prospective Cardholders must attend a training session and sign a Cardholder Agreement prior to receiving a Purchasing Card.

In order to provide a measure of security, the purchasing card requires activation. When the card is received, a sticker prompts the cardholder to activate the purchasing card. Once activated, the purchasing card is ready for use. Activation is required only once for each purchasing card received.

Authorized Card Use

Cardholders are authorized, up to their transactional limits, to use the Purchasing Card to purchase any merchandise or services required as a function of their duties at the district with the exception of the following:

1. Items for personal use
2. Items not related to district business
3. Cash advances

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4. Gift cards
5. Any purchase prohibited by district policy
6. Equipment valued at \$500 or greater
7. All personal services performed by an individual, including but not limited to presenters, lecturers, interpreters, et al. No independent contractors are allowed to be contracted with the Purchasing Card. Use the Consultant Services Request form B74 and follow the rules under the Business Services Guide
8. Contracted services valued at \$2,000 or greater
9. Others as noted in the BSS Guide

Only the Cardholder whose name is embossed on the Purchasing Card is authorized to use the card and is responsible for ensuring that all charges made with the card are in compliance with these Policies and Procedures.

The total value of any one charge made with the Purchasing Card may not exceed the single transaction limit stipulated on the Cardholder's Enrollment Form.

On-line purchases must be shipped to a district site or the warehouse.

Unauthorized and/or Inappropriate Card Use

The Purchasing Card must never be used to purchase items for personal use or for non-district purposes even if the Cardholder intends to reimburse the district.

A Cardholder who makes an unauthorized purchase with the Purchasing Card, as defined in the "Authorized Card Use" section above, or uses the Purchasing Card in an inappropriate manner will be subject to disciplinary action that can include card cancellation and termination of employment at the district.

Failure to comply with the requirements of the User Manual may result in immediate revocation of procurement card privileges if any of the following exceptions occur:

1. Splitting of charges to avoid the single purchase dollar limit
2. Loaning the card to another employee for use

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3. Allowing purchases to be signed for by anyone other than the cardholder. The exception being a delivery receipt, explained in User Manual Procedure 9, "Can the card be shared?"
4. Failure to submit receipts for charges
5. An inadvertent personal purchase occurs for the second time
6. Second time the bi-weekly Smart Data report is submitted to Finance more than 10 days after the bi-weekly period
7. Second time the attached receipts do not match the item descriptions or dollar amounts listed on the bi-weekly Smart Data report

Making a Purchase with the Purchasing Card

Confirm that the selected merchant accepts the Purchasing Card. If not, choose another. In either case, inform the Program Administrator via the School or department Contact, about the fact that the original merchant did not accept the Purchasing Card.

When making purchases in person, the Cardholder must sign the charge receipt and retain the customer copy. The Cardholder should verify that either the charge receipt or sales receipt complies with the requirements for support documentation set forth in the "Definitions" section above.

When making non-face-to-face purchases (e.g., via telephone, Internet, mail order, etc.), Cardholders should give the merchant the account number embossed on their card and direct the merchant to include the following on the shipping label and/or packing slip:

1. Cardholder name and phone number
2. School or department name

Regardless of who receives the shipment, the Cardholder is responsible for obtaining all documentation (packing slips, mail order form copies, etc.) related to the purchase and verifying that the documentation complies with the requirements for support documentation set forth in Section 3.0 (paragraph 3.9).

Merchandise Returns and Exchanges

The Cardholder is responsible for contacting the merchant when merchandise received with the Purchasing Card is not acceptable (incorrect, damaged, defective, etc.) and arranging a return for credit or an exchange.

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If merchandise is returned for credit, the Cardholder is responsible for obtaining a credit receipt from the merchant and retaining that receipt with the support documentation for that purchase. ***Receiving cash or checks to resolve a credit is prohibited!***

If merchandise is to be exchanged, the Cardholder is responsible for returning the merchandise to the merchant and obtaining a replacement as soon as possible and should be within 30 days. Documentation showing the proper resolution of the exchange is to be retained with the support documentation for that purchase.

Record Retention

Cardholder Responsibility: The Cardholder is responsible for obtaining purchase documentation from the merchant (sales receipt, packing slip, etc.) to support all purchases made with the Purchasing Card and verifying that the documentation complies with the requirements for support documentation set forth in Section 3.0 (paragraph 3.9).

Receipt Not Available: For mail, phone, fax, or Internet purchases in which a receipt is not available, use a copy of the completed application, flier, or order form as the receipt. Email and fax confirmations of purchases should be obtained when possible. All alternate receipts should clearly indicate the total dollar amount, description of the product or service ordered, cardholder's name, and that payment was made using the purchasing card. In all other instances, if the receipts are unavailable, the cardholder must submit a formal written, signed affidavit explaining and describing the transaction in detail.

Lost Receipt: If the cash register receipt or the signed credit form is lost, the cardholder must first attempt to contact the merchant and obtain a copy of the documentation. If that is not possible, the cardholder must submit a written affidavit describing the transaction in detail. The cardholder's supervisor must review and sign the written affidavit.

Cardholder Verification of Charges

Cardholders are accountable for all charges made with their Purchasing Cards and are responsible for checking all transactions against the corresponding support documentation to verify their accuracy and propriety. Verification should be done regularly using the Purchasing Card's online transaction review system, Smart Data Online and the Cardholder's printed bi-weekly Smart Data report.

Cardholders are required to print a report from Smart Data for all transactions processed bi-weekly. During the cycle, cardholders are responsible for retaining the original copy of all transaction receipts.

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Cardholders are to review their transactions on Smart Data Online (SDOL) for accuracy, including transactions, amounts, and default General Ledger (GL) codes. If a GL code for a purchase is incorrect, the cardholder is to reallocate the default GL code and replace it with the desired GL code. Once each transaction is properly allocated, the cardholder will check the "Cardholder Reviewed" box, which will "lock" the information into the system.

Original receipts must be stapled to the bi-weekly report along with any required written explanations.

The bi-weekly Smart Data report and attached receipts should then be forwarded to the Finance Department.

Keep a record (duplicate copies) of all receipts, written explanations, statements, and forms submitted. Each cardholder is responsible for keeping their own documentation and processing the statements for payment. In the absence of the cardholder, the supervisor is responsible for processing the payment. Each cardholder is responsible for informing their supervisor of the location where the receipts and documentation are kept.

Charges will be expensed to the cardholder's school or department by Finance using the account information listed on the bi-weekly Smart Data report.

Finance will review each bi-weekly Smart Data report and if an exception is identified, they will notify the supervisor and cardholder for correction. The cardholder's school or department head and the Purchasing Card Program Administrator will also be notified of the exceptions. Violations noted may lead to or be reason for card revocation.

If a particular charge or credit does not appear online or on the bi-weekly Smart Data report, it should be checked against future online transaction information and/or the next bi-weekly Smart Data report. If the charge or credit does not appear within 30 days after the original charge was made, the Cardholder must notify the Program Administrator.

If the Cardholder disputes a charge, the nature of the dispute and the final resolution must be documented. This documentation must be retained with the monthly statement on which the disputed charge appears.

After all transactions have been checked, the Cardholder must forward all documentation to Finance and communicate (preferably by email) to the School or Department Head informing them that their review is complete and specifying the date ranges reviewed.

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Cardholder Charge Dispute Resolution

In the case of a disputed charge, the Cardholder must try to resolve the dispute directly with the merchant. If the dispute cannot be resolved, the Cardholder must complete a Cardholder Dispute Form within 30 days of the date noted on the Statement that lists the disputed charge and forward the completed form to the Program Administrator.

School or Department Head Verification of Cardholder Charges

The School or Department Head is responsible for reviewing each transaction using Smart Data Online and indicating in the designated field if the transaction is approved. Cardholders will perform this function if they are School or Department Heads.

For a charge to be approved there must be adequate support documentation available so that the School or Department Head can ascertain that the purchase is valid and the Cardholder is accountable for that purchase.

Discrepancy associated with a charge could be any one or more of the following situations:

1. Insufficient transaction information
2. One or more of the criteria for authorized card use set forth in Section 5.0 have not been met
3. The Cardholder disputes the charge

All discrepancies must be investigated and resolved. The disposition of each discrepancy must be documented and retained with the Support Documentation and/or Monthly Statement. Cardholders are accountable for all discrepancies.

Note: If a discrepancy cannot be resolved, the Program Administrator must be notified.

Transactions must be approved using the online transaction review system as soon as possible after they become available (transactions will be loaded daily). If a particular transaction has not been reviewed within 10 days of the purchase date, a reminder will be sent to the School or Department Head. At the end of the fiscal year (June 30), the transactions must be reviewed and charges cleared by the second Monday in July.

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Transaction Reallocation

For any given charge, the Cardholder has the option to perform an online reallocation from the Default General Ledger Account to any other District General Ledger account that is under their management.

Purchasing Card Security

It is the Cardholder's responsibility to safeguard the Purchasing Card and Purchasing Card account number at all times.

Cardholders must keep their Purchasing Cards in a secure location at all times.

Cardholders must not allow anyone else to use their Purchasing Cards and/or Purchasing Card account numbers.

Cardholders must not write their Purchasing Card account numbers where others can easily see them.

Lost, Stolen, or Damaged Purchasing Card

If a Purchasing Card is lost, stolen, or damaged, the Cardholder must notify the Card Services Department immediately.

Cardholders must notify the Program Administrator if their cards are lost, stolen, or damaged within 24 hours after reporting the incident to Card Services.

After the above notification procedures have been completed, a new Purchasing Card will be issued to the Cardholder by the Program Administrator.

A Purchasing Card that is found after it has been reported lost or stolen must be destroyed by cutting it in half.

Cardholder Account Maintenance

Whenever any of the information contained on a Cardholder's Enrollment Form changes, a Cardholder Account Form must be completed and signed by the administrator. The completed Cardholder Account Form will then to be forwarded to the Program Administrator.

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Cardholder Transfer within the District

Cardholders who transfer to a new position within the same school or department and continue to require the use of a Purchasing Card as part of their new duties should continue to use the same card. Cardholders who no longer require a Purchasing Card in their new position or transfer to a different school or department must cancel their card per the instructions described below.

Cardholder Separation from the District

Prior to separation from the district, Cardholders must surrender their Purchasing Cards and corresponding support documentation to the Human Resources Department or the School or Department Head per the instructions described below.

Purchasing Card Cancellation

The Program Administrator must be notified immediately when a Purchasing Card is to be canceled. The Program Administrator will contact Card Services to inactivate the Purchasing Card. The card must be destroyed by cutting it in half.