

PENN MANOR SCHOOL DISTRICT

ADMINISTRATIVE REGULATION

APPROVED: November 15, 2012

REVISED:

625-AR-0. PROCUREMENT/CREDIT CARDS

The Superintendent will annually submit to the Board for its approval a list of designated employees recommended to use district procurement/credit cards.

District employees authorized by the Superintendent and/or Business Manager may make purchases with district procurement or credit cards. When authorized by the Superintendent, cards may be issued temporarily to an employee who is traveling to efficiently pay for and document travel expenses.

The Business Manager will include procurement card appropriations in the budget. The total combined authorized credit limit of all procurement/credit cards issued by the district will not exceed five percent (5%) of the total district budget for the current fiscal year.

The Business Manager will direct staff to pay the card balances in full no later than the due date so that finance charges will not be incurred.

The Business Manager will maintain a list of all current district cardholders and will monitor the procurement card program's aggregate monthly spending relative to the aggregate established credit limit for potential required increases.

The Superintendent and Business Manager will determine the need to cancel or reissue cards to employees.

District procurement/credit cards will bear the school district name; building, department or cardholder name; district tax exemption number; and expiration date.

Use Of District Cards

The following rules apply to the use of district procurement/credit cards by employees:

1. All purchases made with a district card must be attributed to the appropriate budget category/code and must conform to the adopted budget.
2. Each employee using a district card will sign a Cardholder Agreement and receive training on applicable Board policy and administrative regulations regarding card usage. An employee who refuses to sign the agreement will not be issued a card.

3. District cards may not be used to purchase any item in excess of \$2,000; nor will any employee charge more than \$5,000 a month without prior written authorization by the Superintendent or Business Manager.
4. Employees must file monthly a Payment Request Form and attach receipts for each stated purchase. All charges must be verified with receipts. The employee's supervisor will approve the expenditures and submit the approved form to the Business Office.
5. District cards will not be used for purchases that would circumvent bidding required by law and Board policy and administrative regulations.
6. District cards will not be used to purchase personal items, unauthorized items or items that do not benefit the district. If a personal item is inadvertently purchased on a district card, the employee must immediately make repayment to the district.
7. Only the authorized employee to whom the card was issued can use the district card.
8. All employees issued a district card must take all reasonable measures to protect the card against damage, loss, theft or misuse. Employees must immediately report such to the Business Manager.
9. District employees will surrender all district cards before leaving district employment and upon demand by the district.

Appropriate Expenditures

Examples of appropriate expenditures using district cards include:

1. Stationery, office supplies.
2. Minor repair items.
3. Computer parts and accessories.
4. Food for use in curriculum.
5. Food and specialty items for cafeteria.
6. Industrial arts supplies.
7. Sheet music.
8. Authorized online purchases.
9. Approved travel expenses.
10. Approved lodging expenses.

11. Approved registration fees.

Inappropriate Expenditures

Examples of inappropriate expenditures using district cards include:

1. Personal items.
2. Items stocked in district inventories and buildings.
3. Capital equipment.
4. Cash advances.
5. Building repairs.
6. Telephone calls.
7. Medical services.
8. Legal services.
9. Cellular telephone charges.
10. Alcoholic beverages.
11. Tobacco products.
12. Gasoline for a privately owned vehicle.
13. Gratuities that exceed twenty percent (20%).
14. Federal or state funded projects.

Procurement Procedures

1. Superintendent and/or Business Manager authorizes individual employees to receive and use district cards.
2. Standard purchase order that lists item name(s), item description(s), unit price(s) and total amount is prepared for the cards by the Business Office.
3. Purchase order is reviewed by Business Manager and approved with his/her signature.
4. Business Manager coordinates the issuance of cards to individual employees.

5. Cardholder informs vendor of the district's tax exempt status and presents district card to vendor who accepts as payment for purchase of appropriate goods or services.
6. Vendor processes the card information to obtain payment for the purchase.
7. Banking institution receives the transaction information from the credit card company.
8. Banking institution verifies the account number and spending limits on the card.
9. Cardholder receives merchandise and the original receipt(s).
10. Cardholder reconciles purchases and credit activity to the monthly statement.
11. Cardholder assigns appropriate account code and files a monthly Payment Request Form, with all supporting detailed documents and receipts attached, to the Business Office within five (5) days of receipt of the monthly statement.
12. Business Office pays the balance due from the reconciled monthly statement on or before the due date.
13. Business Office receives a consolidated monthly statement for each billing cycle in order to reconcile the statements.

Violations

The following actions by district cardholders are prohibited:

1. Purchases of items specifically prohibited by Board policy or administrative regulations.
2. Purchases that exceed the card limits, without pre-approval.
3. Not reporting lost or stolen cards.
4. Purchases from vendors that create a conflict of interest, such as purchases from companies owned or operated by district employees and/or their relatives.
5. Inadequate recordkeeping and/or documentation of purchases.
6. Acceptance of cash in lieu of a credit to the statement.
7. Splitting of purchases within the single purchase limit.

Unauthorized purchases by employees will result in disciplinary action, and the employee will be required to make payment for such transaction.

When purchases are questioned, the Business Manager is responsible for resolving the issue with the cardholder. If the Business Manager is not satisfied that the purchase was necessary and for official use, the cardholder must return the purchase and provide a credit voucher proving the item was returned; or provide a personal check made payable to the company for the full amount of the purchase, plus applicable sales tax. The check must be sent to the Business Office along with an explanation of why the violation occurred.

Resolving Returns/Credits/Disputes/Charges

When a cardholder questions or disputes a transaction charged to his/her account, the cardholder will initially contact the vendor about the transaction and seek to resolve the issue by requesting or supplying information about the transaction.

If the matter is not resolved immediately, the cardholder will notify the Business Manager in writing to request the charge be disputed. The Business Manager will contact the company or banking institution.

Card Termination

The Business Manager will notify the banking institution to cancel the card of a terminated employee within twenty-four (24) hours of the employee's termination. Procurement cards collected from terminated employees will be destroyed by cutting the card into pieces.

Procurement card privileges may be revoked by the district when the cardholder fails to adhere to relevant Board policy and district administrative regulations. The Business Manager will immediately notify the bank to cancel the card, will obtain the card from the cardholder, and will destroy the card by cutting it into pieces.