

McFarland School District

Purchasing Card Procedure Manual

Revised April 10, 2017

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

Table of Contents

I.	Purchasing Card Program Overview.....	3
II.	Obtaining a Purchasing Card.....	4
III.	Personal Liability and Your Credit Rating.....	4
IV.	Guidelines for Card Use.....	5
V.	Cardholder Spending Limits / Merchant Restrictions.....	6
VI.	General Instructions for Card Use – The Purchase.....	7
VII.	Receipts, Sales Tax, and Purchasing Card Transaction Summaries.....	10
VIII.	Reconciliation.....	12
IX.	Returns Credits and Disputed Items.....	13
X	Card Security.....	14
XI.	Reporting Lost or Stolen Cards.....	14
XII.	Audits.....	14
XIII.	Consequences of Failure to Comply with Purchasing Card Procedures.....	15
XIV.	What if I Leave the School District or Transfer to Another Site?.....	15
XV.	Site-Assigned Purchasing Cards.....	15
XVI.	Key Contacts for Questions.....	16

I. Purchasing Card Program Overview

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

Under the Purchasing 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 Purchasing card. Cardholders may now initiate a transaction in-person, via the internet or by telephone, within established limits, and receive goods. The District Office will make periodic settlements with the financial institution responsible for issuing the Purchasing cards (the “card issuer”).

The Purchasing 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
- Paperwork (number of requisitions & purchase orders)
- Supplier/vendor invoices
- Invoicing problems
- The number of accounts payable checks issued

The Purchasing Card Program is **NOT** intended to circumvent or replace the standard purchasing procedures of the District. **Purchases of \$1000.00 or more require the solicitation of competitive pricing/bids. It is every employee’s responsibility to be aware of and comply with the District’s procedures on purchasing.**

In brief, a Purchasing 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 Purchasing 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 Purchasing Card

1. Supervisors/Coordinators/Principals/Directors determine whether an employee should be issued a Purchasing card in their name or if the employee should use a site card.
 - A. If a site card is to be used, please see page 13.
 - B. If a Purchasing card is to be assigned, the coordinator/principal/director should forward the application to the Business Office Supervisor in the District Office.

Supervisors/Coordinators/Principals/Directors may approve personnel to become cardholders by sending a request via email to the Business Office Supervisor.

1. The Director of Business Services shall confirm whether or not the employee will be considered for cardholder privileges.
2. When the District Office receives the Purchasing card the employee will be notified. The card will not be issued to the cardholder until training is completed and the employee has signed a Purchasing Card Issuance form.
3. Signature of this Issuance Form acknowledges that the cardholder understands the procedures and responsibilities of the Purchasing card.
4. The District Office shall maintain all records of Purchasing card email requests, issuance forms, training, limits and lost/stolen/destroyed card information.

III. Personal Liability and Your Credit Rating

The use of the Purchasing 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 Purchasing 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 the 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 purchases charged to the card.

Use of the Purchasing 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 Business Manager.
- Purchases shall NOT be split into multiple transactions to bypass the District's purchasing procedures.
- All items purchased "over the counter" must be immediately available at the time of purchasing card use. **No backordering of merchandise is allowed.**
- All orders should be shipped before a billing transaction occurs on the Purchasing card.
- **All orders must be shipped to a district address.**
- 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 Purchasing card (000705).
- **The cardholder will be required to reimburse the District for any WI sales taxes charged. If the exempt form is required by the Vendor, please contact the districts Accounts Payable Department at 4552.**
- Never provide your Purchasing card number to a person who calls or emails you. All transactions will be initiated by the cardholder.
- All purchasing cards will be collected at the end of the school year. An individual may check the card out from the districts Accounts Payable Department during the summer. Please call ahead.

Unauthorized Purchasing Card Use

Purchasing 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 or competitive price solicitation (bidding) requirements
- 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 Business Manager or Business Office Supervisor**
- h) **Alcoholic** beverages, drugs or pharmaceuticals

- i) Cash advances
- j) Insurance
- k) Computer hardware, software or peripherals, **unless specifically authorized by the districts Network Engineer- at 4522**
- l) Leases/Rentals of facilities/property
- m) Purchases that require a contract, **unless specifically authorized by the Business Manager or Business Office Supervisor.**
- 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 Purchasing 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 Business Manager or Business Office Supervisor will approve the purchasing limits (daily and monthly) for each cardholder. Each time a cardholder makes a purchase with his/her Purchasing 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 please email your supervisor and the districts Business Office Supervisor your request. Include the limit you would like your card to be set at, the reason why you need to change your limit, and the date you will need your new limit to be available.

Merchant category restrictions have also been established. These restrictions are set up specifically for the McFarland School District Purchasing 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.

*Not Acceptable
No Detail*

*Acceptable
Detailed Receipt*

434326001881
THE LEARNING SHOP
714 SOUTH GAMMON RD
MADISON WI 53719
(608)277-8747

THE LEARNING SHOP
714 S. Gammon Road
Madison, WI 53719
608-277-8747

Merchant ID: 161000101893
Term ID: 004

Ref #: 056

Ticket: 102-1052920 Usr: M.L.S
Date: 7/23/2008 4:23p Sta: 121

Sale

XXXXXXXXXXXX3604

VISA

Entry Method: Swiped

07/23/08

16:18:32

Inv #: 000056

Appr Code: 091127

Apprvd: Online

Batch#: 000339

Total:

\$ 28.56

Customer Copy
THANK YOU!

Item Description	Qty	Reg Prc	Total
5070997 CREATIVE THINKING 1-3	1	6.99	6.99
8730708 TEENY GLITTER WAND 6.5"	1	3.59	3.59
7880072 PLAY ON WORDS	1	11.99	11.99
5660036 MY WORD	1	5.99	5.99
Item Subtotal			28.56
Total			28.56

Tender:

VISA Visa # 2
Sale amt recvd 28.56

28.56
OK/KS

Kelly Fischer
3rd Grade Reading

Number of items purchased: 4

All receipts and purchasing documents shall be retained as proof of purchase and to complete your monthly your Purchasing Card Transaction Summary. The McFarland 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. “Over the Counter” Orders

- a) **Verify the vendor accepts credit cards prior to initiating a purchase.**
- b) Present the districts Tax Exempt Card at the time of purchase. Note: Always bring a copy of the Sales Tax Exempt Certificate with you.
- b) The cash register receipt must be reviewed prior to signing to ensure::
 - ✓ 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

2. Telephone Orders

- a) All phone orders must be initiated by the cardholder.
- b) Make sure the vendor accepts Purchasing 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 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.

- Alert the staff members in your building that receive shipments of your expected delivery. Supply the vendor's name, anticipated delivery date, number of boxes expected, carrier (UPS, FedEx, etc.). Request notification upon delivery.

3. Fax Orders

- a) The use of the fax machine to place purchasing card orders should be kept to a minimum. Fax orders are placed only when the company requires an order form with the Purchasing 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 purchasing 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 "Purchasing 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.
- Alert the staff members in your building that receive shipments of your expected delivery. Supply the vendor's name, anticipated delivery date, number of boxes expected, carrier (UPS, FedEx, etc.). Request notification upon delivery.
- g) Retain a copy of the fax order form for your monthly Purchasing Card Transaction Summary.

4. 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. For example: on Internet Explorer you should be able to see a **locked padlock before the web address.**
- 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 vendors shipping information will direct the purchase to you when the item is shipped. Please include the address of the school that you are located (the address on the billing statement).
- e) Make sure you receive an itemized receipt for your purchase.

VII. Receipts, Sales Tax and Purchasing Card Transaction Summaries

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 Purchasing card provider at (800) 263-2263 and ask for a duplicate receipt. Our Purchasing card provider normally charges \$5.00 for this service which will be invoiced to you by the District Office. If you are only provided a charge card slip receipt (receipt that does not itemize your purchase) you will be required to complete a Purchasing Card Lost Receipt/Detail Form.
2. You may use a Purchasing 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 Purchasing Card Lost Receipt Form at the District.
3. Pay the entire bill personally by forwarding the money with your monthly Purchasing Card Transaction Summary.

Sales Tax

Most McFarland School District purchases are tax exempt; therefore, tax should not be charged to District purchases. If you are charged tax on your Purchasing card you have two options:

1. Contact the vendor to ask for the tax to be reimbursed to your Purchasing 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, you will either need a copy of the original receipt showing the tax amount or a receipt showing the tax that was refunded on your next Purchasing Card Transaction Summary.
2. Pay for the sales tax personally by enclosing the correct tax amount in your Purchasing card envelope. Recouped funds are deposited into a district revenue account.

Purchasing Card Transaction Summaries and Sales Receipt/Tax Correction Notice

Please coordinate with your building/department administrative assistant regarding Purchasing Card Transaction Summary deadlines that exist on a building level. Specific dates can be referenced in section VIII of this manual. Failure to return your completed Purchasing Card Transaction Summary will suspend your Purchasing card until the District's Purchasing Card Auditor receives the summary. You will receive an email indicating that your card is suspended and can no longer be used.

If you provide the District Purchasing Card Auditor with your Purchasing Card Transaction Summary, and you have been charged tax or you are missing a receipt, you may receive a Sales Receipt and Tax Correction Notice.

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 send your Purchasing Card Transaction Summary back to the District Purchasing Card Auditor with the proper documentation or money by the deadline date.

If you have not resolved the issue by the deadline your card will be suspended. Your card will be reactivated after the issue has been resolved. You will receive an email indicating that your card is suspended and can no longer be used.

The second time a receipt/tax is not in the envelope by the deadline date; your card will be suspended until reactivation is approved by the Business Manager.

VIII. Reconciliation

1. Card Holder Reconciliation

1. You will receive your Purchasing Card Transaction Summary after the 21st of each month District Office. You will need to code each transaction with your budget account # (example: 10 E 400 411 122000 000 40), sign and date the summary, **by the 23rd of each month.**
2. You will attach your Purchasing Card Transaction Summary and Receipts and send it to your Supervisor on the **23rd of each month.**
3. Your Supervisor will approve the expenditures and forward your Purchasing Card envelope to the District Office **for processing, by the 25th** of each month.

2. Supervisor Approval of Purchases

Before the end of the day of the **24th of each month** the supervisor shall have reviewed all purchases. If changes need to be made, the supervisor has the ability to change the description and/or the account number. 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.

After the 25th of each month the Business Manager/Superintendent will approve purchases for payment to BMO.

3. Auditing of Purchasing Card Transaction Summaries

All Purchasing Card Transaction Summaries will be audited. All summaries shall be received by the District Office by the **25th of each month (with the exception of holidays)** Auditing procedures are completed in a timely manner. Failure to send your Purchasing Card Transaction Summaries to the District Office may result in suspension of your Purchasing card.

4. Storage of Purchasing Card Transaction Summaries

The business office will retain all previous required years. The Wisconsin Department of Public Instruction requires expenditure records to be retained for seven (7) years. Purchasing Card Transaction Summaries should be available to the Financial Services Office and auditor when requested.

IX. 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 Carrie Roberts, Business Office Supervisor, immediately at extension 4522. If you do not talk directly to Carrie please call the switchboard at extension 0 (zero) and ask for Carrie Roberts, Karen Dixon, or Jeff Mahoney.

If you have a problem with a purchased item or a billing resulting from use of the Purchasing 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 card account; you may need to refer to your original card receipt. If the item was shipped, refer to the shipping form you kept in your Purchasing Card Transaction Summary.

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 Purchasing 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 enclosed 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 Carrie Roberts, Business Office Supervisor, at extension 4553 for more information.

Note: Attach documentation of credits, returns, and exchanges to your Purchasing Card Transaction Summary.

X. Card Security

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

- **Do not lend your card to anyone.** The only person authorized to use the purchasing card is the person whose name is on the front of the card, unless a site or department card is being used.
- Guard your Purchasing card account number carefully. Do NOT post it or write it in any location that is accessible to others.
- The cardholder's statement should be carefully reviewed to insure no unauthorized purchases were made.
- Never provide your Purchasing 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.

XI. 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. Advise the representative that the call is regarding a MasterCard Purchasing card. Provide the lost/stolen card number to the representative. The cardholder is also required to contact Carrie Roberts, Business Office Supervisor at extension 4553, to report the lost/stolen card.

XII. Audits

The District Office staff will conduct audits of purchasing card use. The primary purpose of these audits is to ensure that the Purchasing Card Program procedures are being followed and that:

- Purchase volume appears reasonable
- The card is being used for appropriate transactions
- Documentation is complete

XII. Consequences of Failure to Comply with Purchasing 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.

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

If you leave the school district or transfer to another site within the District, you must return your Purchasing card to your supervisor. The supervisor is responsible for contacting Jeff Mahoney or Carrie Roberts, who will cancel the card. Returned Purchasing cards are not reissued to other employees for use. Before returning a canceled Purchasing card to the District Office, cut the card in half.

XV. Site Assigned Purchasing Cards

Site assigned Purchasing 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 Purchasing card, to use one without having one issued in his/her name. Site-assigned cards are the responsibility of the administrator/supervisor (including card security and record keeping). He/she is the only person allowed to authorize use of a site-assigned Purchasing card. Upon authorization by the administrator/supervisor, an employee may utilize the site-assigned card by:

- Upon completion of the Purchasing Card Issuance Form, which the administrator/supervisor signs and forwards to the District Office, the employee is authorized to utilize a site-issued Purchasing card.
- The employee shall sign out the card each time.
- The employee shall return the card and related documentation from the purchase(s) to the supervisor within ONE (1) business day of the purchase(s).
- The employee utilizing a site-issued card must follow the same procedures for use of the card as an employee with a card issued in his/her name, except reconciliation (the site card administrator will complete this process).

XVI. Key Contacts for Questions

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

Carrie Roberts **ext. 4553**

*District Purchasing Card Auditor

*Cardholder Purchasing Card Limits

*Disputed Transactions

* Fraud

Jeff Mahoney **ext. 4520**

*Purchasing Card Issuance Form Approval