



Procedures

For

The State of Texas

Procurement Card Program

Hays CISD

Purchasing Card Policies and Procedures



Introduction

The purpose of the purchasing card program is to establish a more efficient, cost-effective method of purchasing and paying for small dollar transactions as well as higher volume, repetitive purchases. The purchasing card (P-Card) can be used with suppliers that accept credit cards as forms of payment. **Note: The Financial Services Department has the authority to set aside or override intended procedures on a case-by-case basis.*

General Information

These procedures provide the general guidelines for using the purchasing card. Please read it carefully. Failure to follow these guidelines will result in disciplinary action, including the possibility of termination.

Throughout this guide, the terms procurement card, purchasing card, and P-Card are interchangeable. The term travel card refers to purchasing cards that have been structured to allow purchases with travel related vendors.

Important Information for Cardholders

Prudent, good business judgment must be exercised at all times when making purchases with the District procurement card. Cardholders are expected to be as conscientious with district funds as they would their own. Before any purchase is made, the cardholder must ask: **“How will this transaction be perceived by the public we serve?”** Any purchase perceived as being excessive, exorbitant or inconsistent with educational business purposes will be scrutinized, and if deemed inappropriate, the cardholder will be required to compensate the District from their personal funds for the difference in reasonable and customary costs.

Your signature on the *Procurement Card Agreement* shows that you understand the intent of the program and agree to follow the established guidelines. Each user must sign a *Procurement Card Agreement* and a copy must be kept in the Audit Log on campus/department.

These important points should be reviewed before using the purchasing card:

- The purchasing card is not intended to avoid or bypass appropriate purchasing or payment procedures as outlined in Board Policy CH or the Hays CISD Purchasing section of the Business Procedures Manual.
- All purchases made on the purchasing card must be pre-approved and documented by the principal/budget authority using the *P-Card Disbursement Request*, and the card should be used for official school district purchases only. Purchases must be made within 5 days of Budget Authority approval.

- Cards will be issued in the cardholder's name. It is not permissible to loan your card to another individual.
- You are responsible for the security of your purchasing card and the transactions made with it. (Please refer to the applicable section if your card is lost or stolen).
- Additional procedures apply to the use of P-Cards for travel.
- Basic transaction limits are established for each card. Know the transaction limits on your card to avoid declined transactions.
- Cardholders are responsible for obtaining original, detailed receipts and finalizing transactions per procedures outlined in this handbook.

Other Duties and Responsibilities



Program Administrator – (Nicole Turner, Director of Purchasing)

The Program Administrator is designated to oversee the administration of the program. The Program Administrator has a direct relationship with the bank. All new purchasing card requests must go through the Program Administrator. The Program Administrator will also issue and evaluate usage reports and monitor card activity online and train new users. The Program Administrator within the Purchasing Department has the authority to approve transactions at their discretion.

Accounts Payable

The Accounts Payable Staff will reconcile statements and contact cardholders as necessary, to resolve discrepancies and/or disputed charges. The AP Specialist in charge of travel will also check out Travel Cards at the Business Office for Hotel use. You can schedule an appointment by emailing Accounts Payable at accounts.payable@hayscisd.net

Cardholder

The cardholder is responsible for following the guidelines with regard to purchases, selection of vendors, security of the card and retention of receipts. The cardholder must enter account code information (allocate costs) into Munis within 5 days of the statement posting. The cardholder will attach a copy of the **signed** PDR and Invoice in Tyler Content Manager (TCM). Each campus/department must retain a copy of the receipt(s), and a copy of *the signed P-Card Disbursement Request* for seven (7) years. Audits will be scheduled throughout the year to verify that purchases are made within correct Accounting and Purchasing procedures.

Budget Authority – (Principal/Director)

The Budget Authority is responsible for designating cardholders and for approving purchasing card receipts of cardholders to ensure they are within District Policy and procedures. The Budget Authority will also assist in assigning cardholder spending limits and monitoring adherence to purchasing card regulations. The Budget Authority is responsible for retrieving purchasing cards in the event of termination or change in the employment status of a cardholder under their supervision.

Customer Service

The purchasing card program is serviced using a team approach with the Bank's Customer Service Center. This center is available 24 hours a day, 7 days a week to assist the cardholder with general questions about the purchasing card account. If a card is lost or stolen, the employee should notify Customer Service immediately.

The customer service number is: 1-800-248-4553.

Credit Rating & Liability

The program does not affect your credit rating in any way. The purchasing card program carries corporate, not individual liability.

Purchasing Card Controls & Procedures

Credit Limits

All purchasing cards have monthly/annual cardholder spending limits. Limits may vary for each cardholder and will be established by the Program Administrator in conjunction with the Budget Authority. Monthly limits automatically "refresh" each month.



Each cardholder will be given information on the limits of his/her card upon signing up for the program. In order to change limits on any card, your Budget Authority should forward a request in writing to the Program Administrator. Upon approval, the Program Administrator will then contact the Bank for processing. *Please allow 2 to 3 days to process any changes.*

Transaction Limits

Your purchasing card will have a single transaction limit. This is the amount available on the purchasing card for a single purchase. This single transaction limit is in place to ensure that 3 quotes are obtained for purchases over \$3,499. Cardholders should not attempt to make a purchase greater than his/her approved amount without prior Program Administrator approval; this will cause your purchase to be declined. It is not acceptable to split purchases in order to circumvent the "per use" spending limit. If you want to utilize your P-Card to make a purchase over the \$3,499 single transaction limit for items or services in which you have obtained 3 quotes or in which the respective Vendor holds a District-wide or Cooperative contract then you must contact the Program Administrator to review and if approved to temporarily increase your single transaction limit to allow these particular transactions to go through. The Program Administrator must also handle changes to the transaction limit which would come in written form from the Budget Authority.

Restricted Vendors

For merchandise purchases, the purchasing card program will be restricted for use with certain types of suppliers and merchants. If you present your purchasing card for payment to restricted vendors, the authorization request will be declined. Do not attempt multiple swipes of the card by the merchant, as this will trigger a security alert. Instead, please contact the HCISD Purchasing Office. Cash advances and alcoholic beverages are unacceptable purchases at any time. The card should also not be used for any capital outlay item (unit cost

\$500 or above) or technology item. You cannot use the P-Card for fuel in a personal vehicle. The P-Card may be used for a rental car and for fuel for the rental car.

Request for Purchasing Cards

Campus principals and department directors submit requests for P-Cards to the Program Administrator Nicole Turner, Director of Purchasing. Each request will be considered individually based upon the frequency of purchases, type of purchases, benefit to the campus/department, etc.

Issuance of Purchasing Card

Purchasing cards will be centrally distributed through the Finance Department. When a new card is issued, the bank will send it to the Program Administrator for distribution to the cardholder. Cards will be released to cardholders after training and receipt of a signed cardholder agreement has been obtained.

All employees wishing to use a purchasing card will be required to complete training and sign the Cardholder Agreement. Cards will be issued in the individual's name. It is not permissible to loan your card to another individual.

Purchasing Card Activation

The cardholder will call customer service to activate the purchasing card before the first use. Upon receipt of the card, the cardholder should sign the card and always keep the card in a secure place. P-Card sleeves and miniature tax exempt forms will be provided.

Adherence to Purchasing Procedures

Because P-Card purchases are a type of procurement/purchasing action made directly by the Cardholder and not by the HCISD Purchasing department, certain added responsibilities come with the use of the P-Card. It is important that the Cardholder ensure that State of Texas laws and District procedures are being followed and that purchases are made within established policies and procedures. Cardholders shall use the following procedures when making P-Card purchases.

- Determine if the transaction is an acceptable use of the card and if it is within the Cardholder's spending limit (there is money in your budget to cover the purchase).
- **Attempt to make purchases from Vendors that hold District-wide or Cooperative contracts, whenever possible.** Cardholders should contact the Purchasing Department if there is a question as to the status of a District or Cooperative contract or if the Cardholder needs assistance identifying a District or Cooperative contract Vendor.
- **Purchases on the following object codes are prohibited: 6295, 6394, 6397, 66XX. (Fixed Assets)**

Purchase Orders

A purchase order is not required on P-Card purchases. The Munis P-Card Statement process replaces the purchase order. However, certain departments (i.e. Technology) may wish to establish procedures that still require the use of purchase orders even though payments will be made with a purchasing card.

Purchasing Card Receipts

Always obtain a detailed itemized receipt when using the purchasing card. It is every cardholder's responsibility to ensure there is an **original receipt** for each purchase.

Detailed, itemized receipts must be retained for purchases – **the credit card charge slip is not considered adequate documentation**. If an item was purchased online the cardholder must retain a copy of the online receipt and a copy of the delivery/shipping receipt verifying that the goods were received. Receipts shall be attached to TCM and kept with the *P-Card Disbursement Request* which includes accounting information (cost allocation) and a Budget Authority approval. This package will be retained by the campus/department for a period of seven (1) year. *Do not combine multiple forms of payment on one transaction; for instance, don't partially pay the purchase with cash, check, or other credit card when using the district's purchasing card, except when clearing personal hotel charges from a hotel bill.*

These receipts will be each cardholder's documentation for all purchasing card charges. After approval by the campus principal or administrator, a copy of the receipts shall be retained at the campus/department. All receipts will be reconciled and filed for audit purposes after the appropriate payments have been made to Citibank. If a receipt is lost or stolen, the cardholder should obtain duplicate copies of the receipts. If unable to obtain a receipt, the charges will become the personal responsibility of the cardholder and payment will be due to the Business Office within 30 days of the purchase.

Online Closeout of Transactions by Cardholder

The cardholder must reconcile each charge to their purchase card by entering the appropriate account code information into Munis within 5 business days of each statement posting. Each campus/department must retain the PDR and the receipt(s) for filing with your current school year records.

The Business Office will reconcile documentation submitted by the campus/department to transactions posted to the charge account by Citibank. The charge account will be reconciled using Munis P-Card program, so it is critical that the reconciliation of statements be completed in a timely manner.

Statement Reconciliation, Printing, Approval and Forwarding

The Citibank transactions will be uploaded into Munis three times a week.

The Cardholder will:

- Reconcile the electronic statement received from the Citibank Global Card Management System (CCMS) to ensure all charges are accurate and allocated to the correct budget code.
- Verify that all transactions have been processed through Munis agree with your Citibank verification. Retain a copy of the receipts for the current school year.
- Print your Citibank statement monthly to verify that all charges have been imported to Munis. It is good to write the Munis Stmt ID and Transaction number on your Citi stmt.

The Secretary/Bookkeeper will:

- Verify that all transactions comply with the established policies and procedures, have proper supporting documentation (e.g. receipt, invoice, packing slip, etc.), have been reviewed by Cardholder, and have been charged to the correct account code.

- If a transaction is missing documentation, contact the Cardholder to obtain proper documentation.
- Make any necessary account code changes using the Munis P-Card program.
- Review the Cardholder's account activity on the system.

The Budget Authority will:

- Verify that all transactions comply with the established policies and procedures, have proper supporting documentation (e.g. receipt, invoice, packing slip, etc.), have been reviewed by Cardholder, and have been charged to the correct account code.
- Review your account activity in the system.

P-Card Documentation Audits

The accounts payable department will export purchasing card documentation weekly. All aspects of pre-approval, adherence to purchasing procedures, proper coding, and post-purchase approvals will be reviewed. Audits will be scheduled throughout the year to verify that purchases are made within correct Accounting and Purchasing procedures.

Fraudulent Charges

If the cardholder becomes aware of or in review of their statement they find that fraudulent charges have been made to their card, they are to immediately contact the Citibank Customer Service department at **1-800-248-4553**. After contacting Citibank, notify the Program Administrator or designee. Prompt action can reduce the District's liability for fraudulent activity.

Insufficient Budget

Payments to Citibank will not be delayed due to insufficient department budgets. Payment will be made however, all cards utilizing the account in question will be deactivated immediately. The cards will be reactivated once the required budget concerns are resolved. Repeated budget concerns may result in all cards for the account in question being deactivated at the Program Administrator's discretion for a 4-month waiting period.

Card Use by another Employee or Student

Allowing another employee or a student to use the card may result in the card being deactivated at the Program Administrator's discretion. The cardholder may be denied card privileges or required to attend training again before being allowed to use a card.

Sales and Use Tax

The District is a tax-exempt entity and *does not pay or reimburse* sales tax. The cardholder should present a sales tax exemption form when making a purchase. Miniature tax exemption forms can be found in the pocket of your Hays CISD P-Card sleeve. Wal-Mart purchases require the presentation of a Wal-Mart tax-exempt card. If taxes are charged and the merchant will not credit the charges or issue a refund, the cardholder shall be personally liable for reimbursement of all taxes and payment will be due to the Business Office within 30 days of the purchase.

Travel Charges

Travel guidelines can be found in the Travel Card Manual. You may not use the P-Card for fuel in a personal vehicle. The P-Card may be used for a rental car and for fuel for the rental car.

Accounts Payable Department Use

The Accounts Payable Department may use the procurement card to pay monthly bills, when appropriate.

Returns, Credits and Disputed Charges

Should a problem arise with a purchased item, every attempt should be made to first resolve the issue directly with the supplier. All returns must be reimbursed by credit to the account; cash refunds are prohibited. A review of statements is vital to ensure the account is properly credited for returns, credits and disputed charges.

- Returns: If a Cardholder needs to return an item, contact the Vendor and obtain instructions for return. A RMA (return merchandise authorization) number is often required and given to the cardholder to return the item(s). Note that some Vendors may charge a restocking or handling fee for returns.
- Credits: If the Vendor accepts an item as a return, a credit for this item should appear on the following month's statement.
- Disputed Charges: If a Cardholder finds a discrepancy on a monthly statement, the Cardholder should contact the Vendor and attempt to resolve the problem directly. If the item cannot be resolved directly with the Vendor, the Cardholder is to contact Customer Service (**1-800-248-4553**). Customer Service will send by fax or US Mail the dispute form to the Cardholder in order for them to pursue their dispute formally including the reason for the dispute and a copy of the statement highlighting the error. This form should be signed and returned by fax or US Mail with any additional documentation (e.g. copy of credit receipt) to Citibank Customer Service. The timeframe for advising Citibank of a dispute is **60 days from the statement date where the charge first appears**.

Security of the Purchasing Card

The cardholder is responsible for the security of the card. Guard the purchasing card account number carefully. It should not be posted in a work area or left in a conspicuous place. It should be kept in a secure location.

Violations & Consequences

The only person authorized to use the purchasing card is the cardholder whose name is embossed on the card. The card is to be used for business purposes only. The card is not intended for personal use.

Examples of Violations

- Not completing statement reconciliations in Munis in a timely manner
- Improper purchases
- Personal use
- Allowing another person to use your P-Card

Inappropriate use of the card or failure to abide by the Purchasing Card Policies and Procedures will result in revocation of the card and appropriate disciplinary action, including, but not limited to, possible termination of employment.

Employee Transfer

In the event of a transfer to another position within the District that also requires a P-Card, it is not necessary to cancel or reorder the P-Card. Report the transfer to the Program Administrator and the card will be modified to reflect the change. If the new position does not require a P-Card, the card must be returned to the Program Administrator within 10 days to be deactivated.

Employee Termination

The purchasing card must be returned to the Program Administrator or Budget Authority upon termination from employment with the Hays Consolidated Independent School District. The purchasing card must be returned to the Business Office prior to the employee's departure from his or her employment. To the extent permitted by law, the district reserves the right to withhold the employee's final paycheck until such card is returned to the district.

Lost or Stolen Cards

If a purchasing card is lost or stolen, immediately contact the Bank's Customer Service at **800-248-4553**. After contacting the Bank, notify the Program Administrator. Prompt action can reduce the District's liability for fraudulent activity. If a cardholder fails to make a report of a lost or stolen card immediately upon discovery, the cardholder may be required to reimburse the District for any fraudulent charges made on the card prior to card cancellation. The cardholder will be subject to a minimum 6-month waiting period and will be required to attend training again before a card will be checked out to that employee. Upon the loss of a second card, no additional cards will be checked out to the employee.

Examples of Acceptable Purchases

Food Supplies – for instructional purposes or refreshments for meetings
Classroom Materials/Books
Office & Instructional Supplies
Hotel costs (With the use of the Travel Card)
Field Trip Admissions
Tools/Hardware/Auto Parts (For instructional purposes)
Professional Dues and Subscriptions
Professional Memberships
Registrations for Workshops or Conferences
Amazon.com (must utilize the district's login to access and get approval for purchases)

Examples of Unacceptable Purchases

Computer Hardware or Software
Equipment & Capital Items – any single item with a per unit cost over \$500
Personal Items
Cash Advances or gift cards, which function as cash
Alcoholic Beverages
Any purchase that requires the district to sign a contract (Refer to the Purchasing Dept)

These examples are for illustration only. When in doubt, please contact the Purchasing Office for clarification.