

# OLYMPIA SCHOOL DISTRICT

## PROCUREMENT CARD PROCEDURES

### PROCUREMENT CARDS

#### Definitions

##### 1) **Procurement Card**

A procurement card is used for District purchases and travel. The types of cards are:

- a. Purchase cards – used for supplies and materials for District use only
  - i. held for checkout at schools or departments or
  - ii. for possession by individuals (with higher volume of purchases)
- b. Travel card – used for authorized District travel expenditures only
  - i. held for checkout at schools or departments and Business Office
- c. Combination cards – used for either District supplies/materials or travel
  - i. held for checkout at schools or departments and Business Office

##### 2) **Memo of Understanding**

All staff who are cardholders or will use, reconcile, sign out, or have possession of cards are required to sign this form. The signer of the Memo of Understanding agrees to abide by OSD policies and procedures and is protected from penalties for violations incurred by unauthorized use. Signer authorizes District to withhold from payroll the value of any purchase contrary to policy.

##### 3) **Card Custodian**

A card custodian is the staff member who is issued the card. This may be a department head, principal, or designee for check-out cards or the individual named on the face of the card. The card custodian is responsible for authorizing use and reconciliation of the card (see checking out a card).

##### 4) **Card Supervisor**

The supervisor of the card authorizes and approves all purchases by employees for cards under his/her responsibility. Approval may take place online, using the Purchase Card Transaction Summary, or signing the reconciliation envelope.

##### 5) **Access Online™**

*Access Online™* is the name of the online approval and reconciliation option for card supervisors and custodians.

##### 6) **Merchant Category Code (MCC)**

This code designates the type of merchant (i.e. food, department store). Some codes are blocked by Olympia School District as disallowed purchases.

##### 7) **Credit Verification Code (CVC)**

This is the three-digit number found on the back of the card on the signature block.

# OLYMPIA SCHOOL DISTRICT

## PROCUREMENT CARD PROCEDURES

### Issuance of Procurement Cards

#### Requesting a Card

All required forms may be obtained through the Business Office.

- 1) Individuals, schools, and/or departments may request cards. Contact the Business Office for assistance in determining which is appropriate. Only District employees are eligible.
- 2) A Request for Issuance of Purchase Card and a Memo of Understanding (see definitions) must be completed, approved, and on file in the Business Office.
- 3) Account codes may be changed per transaction. In the absence of an account code, the original account code (default code) assigned to each card will be used for all card transactions.
- 4) Each card must be used for purchases totaling at least \$750 per year. Any card with less may be canceled or charged a fee.
- 5) Authorization of card requests must be obtained through the Business Office.
- 6) Departments and administrators may implement more stringent or additional control procedures at their sites. A separate addendum must be submitted to the Business Office.

#### Checking out a Card

Individuals may check out procurement cards through the school office or department. All forms are available from the Business Office.

- 1) A Memo of Understanding (see definitions) must be on file to check out a card.
  - a. A copy of an Authorization to Use Procurement Card is recommended may be carried with the card as some vendors may require it.
- 2) The schools and/or department must track the cards. A Card Sign Out Log is available from the Business Office to record all check outs.
- 3) The user's signature is required at time of check out.
- 4) UNDER NO CIRCUMSTANCES may any card be checked out to a student, parent, volunteer, or non-employee. Only the employee who signed the check out log for this card and time period may use the card.
- 5) The card must be returned to the card custodian (see definitions) immediately after purchase.
- 6) All original, itemized receipts must be kept at the site until submitted with a transaction report to the Business office.

#### Receiving a Card

- 1) A card custodian (see definitions) must sign the back of the card immediately upon receipt or write "See ID" or "Call School."
- 2) Cards must be stored in a locked, secure location when not in use (i.e. a safe). An unoccupied vehicle is *not* a secure location.
- 3) Notify Business Office when a cardholder leaves Olympia School District.

# OLYMPIA SCHOOL DISTRICT

## PROCUREMENT CARD PROCEDURES

### Uses of Procurement Cards

#### Using a Card

- 1) A Memo of Understanding (see definitions) must be completed, approved, and on file in the Business Office.
- 2) UNDER NO CIRCUMSTANCES may a student, parent, volunteer, or other non-employee use a card.
- 3) All original, itemized receipts must be submitted to the card custodian and are due when returning card.
- 4) Building and department heads do **not** have the authority to make exceptions. Contact the Business Office with any special requests or questions.
- 5) Cards may only be used for *current school year* purchases—no post-dated transactions. An exception may be made for transactions posting in July or August.
- 6) All cards and receipts must be turned in to the card custodian (see definitions) prior to the last day of school.
- 7) Custodian must submit all receipts/invoices to the Business Office before leaving for the summer.
- 8) No orders may be delivered to a staff member's home for any reason.
- 9) Any excluded purchases (see below) charged on a District card subject the employee to payroll deduction and/or revocation of all District card privileges.

#### Using a Purchase Card

##### Purchase Card Allowed Uses

- 1) Supplies and materials for District use are allowed.
- 2) Equipment under \$1,000 may be purchased. An asset number and completed capital equipment form (see Policy 6800) may be required and must be submitted with the receipt and Transaction Summary. Contact the Technology Office for information.

##### Purchase Card Excluded Uses

- |   |   |
|---|---|
| 1) Airline tickets (see travel card uses)   | 9) Restaurant food (except for ASB and pre-approved exceptions) |
| 2) Alcohol  | 10) Gifts (including flowers or meals for employees)            |
| 3) Back orders (if item is not in stock, re-order when available—do not use card to hold order) | 11) Grant funded expenditure (pre-approved only)                |
| 4) Equipment over \$1,000 (pre-approved only)   | 12) Items for pre-approval or confirming orders                 |
| 5) Cash advances  | 13) Salaries and wages  |
| 6) Cell phones (pre-approved only)  | 14) Subscriptions (pre-approved only)                           |
| 7) Consultant/contractual services  | 15) Travel related items (see travel card information)          |
| 8) Donations  |   |

#### Types of Purchases

##### *Telephone or Online Expenses*

An itemized invoice must be printed, faxed, or e-mailed at the time of order.

# OLYMPIA SCHOOL DISTRICT PROCUREMENT CARD PROCEDURES

## Uses of Procurement Cards

### Using a Travel Card

#### Travel Card Allowed Uses

- 1) Transportation
- 2) Food (ONLY 15% gratuity allowed)
- 3) Hotel/motel lodging
- 4) Telephone/FAX charges (original, itemized receipts only)
- 5) Car rentals (excluding insurance)
- 6) Parking
- 7) Cab/shuttle fares (excluding tips which must be reimbursed through a travel expense voucher)
- 8) Registration fees

#### Travel Card Excluded Uses

- 1) Alcohol
- 2) Cash advances
- 3) Entertainment (except ASB with prior approval)
- 4) Supplies and materials

### Types of Purchases

#### *Telephone Expenses*

Fax forms for hotel reservation and conference registration are available from the Business Office.

### Using a Combination Card

#### Allowed Uses

*See Purchase Card and Travel Card Allowed Uses.*

#### Excluded Uses

- |   |   |
|---|---|
| 1) Alcohol  | 8) Entertainment (except ASB with prior approval)               |
| 2) Back orders (if item is not in stock, re-order when available—to not use card to hold order) | 9) Gifts (including flowers or meals for employees)             |
| 3) Equipment over \$1,000 (pre-approved only)   | 10) Grant funded expenditure, unless approved prior to purchase |
| 4) Cash advances  | 11) Items for pre-approval or confirming orders                 |
| 5) Cell phones (pre-approved only)  | 12) Salaries and wages  |
| 6) Consultant/contractual services  | 13) Subscriptions (unless pre-approved)                         |
| 7) Donations  |   |

# OLYMPIA SCHOOL DISTRICT PROCUREMENT CARD PROCEDURES

## Uses of Procurement Cards

### Using All Procurement Cards

#### Online Purchases

- 1) Verify the site is secure
  - a. A website's security page, concerning its privacy policy, should be accessible from the home page and inform you about the way your data are treated, from the input to the period following the execution of the contract. Consult it carefully.
  - b. You need to send your information on a secure server. You can easily ensure that you are in secure mode: most browsers provide an indicator (usually a gold padlock or a key) in the status bar. Additionally, the address ('url') of the site will change from 'http//' to 'https/' – the 's' indicating that the connection is secure.
  - c. Make sure that you always have the opportunity to exert control over your data (storage for future purchases, access and modification of your data, etc.). The site should provide boxes to tick in or off.
  - d. If you do notice an unauthorized charge, immediately notify the business office at ext. 6120.

#### Direct Purchases

- 1) Take P-Card to the cashier personally. Always watch the vendor perform the charge transaction to prevent stolen card numbers.
- 2) Ask for all carbons and copies of paper charge slips. Only the original stays with the vendor.

#### Phone Purchases

- 1) Record the following for phone orders when using the P-Card:
  - a. Name of person taking P-Card number
  - b. Date and time
  - c. Amount

# OLYMPIA SCHOOL DISTRICT PROCUREMENT CARD PROCEDURES

## Suggested Maximum Credit Limits

Freight, taxes♦, processing, fees, insurance, service fees, etc. must be added to the cost of the purchase to derive the total cost. This total may not exceed the limit. Failure to stay within the established credit limit may result in revocation of card privileges.

### **Purchase Card Limits\*+**

Type	Transaction Limit	Monthly Limit	# of Daily Transactions
Departments	\$999.00	\$10,000.00	20
Elementary	\$999.00	\$5,000.00	20
Middle	\$999.00	\$7,000.00	20
High	\$999.00	\$10,000.00	20

### **Travel Card Limits\*+**

Type	Transaction Limit	Monthly Limit	# of Daily Transactions
Departments	\$5,000.00	\$15,000.00	20
Elementary	\$5,000.00	\$15,000.00	20
Middle	\$5,000.00	\$15,000.00	20
High	\$5,000.00	\$15,000.00	20

\*Schools or departments may request card limits more than the maximum. The Business Office will assist in making a determination.

+ Splitting transactions to circumvent limits is prohibited.

♦ Taxes will be charged even if the vendor does not charge them.

### **Requesting a Credit Limit Change**

- 1) The card supervisor may request a temporary or permanent increase in the credit limit with Business Office approval.
- 2) A completed Request to Increase Card Limit form must be submitted to the Business Office.
- 3) A written explanation must accompany the request to include:
  - a. purpose
  - b. items purchased
  - c. dollar limit
  - d. vendor
  - e. dates
  - f. benefit to district
  - g. signature

# OLYMPIA SCHOOL DISTRICT PROCUREMENT CARD PROCEDURES

## Record Keeping and Reconciliation

### Record Keeping and Reconciliation Process

- 1) Original documents (receipts, packing slips, invoices, confirmations, statements, etc.) must be kept with the card custodian until the transaction report is sent by the Business Office. Itemized receipts/invoices are required for reconciliation. All receipts on the report must be in the envelope and returned to the Business Office by the date on the memo.
  - a. If a receipt has been lost or destroyed, contact the Business Office for an Affidavit of Lost or Destroyed Receipt, which must be completed and accompany the Transaction Summary.
  - b. The Transaction Summary must be completed with account codes (see Assigning Account Codes below) and signatures.
  - c. Online reconciliation is available to card custodians (see *Access Online*™ below). The same due date is required for online reconciliation and receipts.
- 2) The card supervisor (see definitions) must
  - a. Approve, sign, and code (see Assigning Account Codes below) the Transaction Summary prior to submission. OR
  - b. Approve and assign codes (see Assigning Account Codes below) for purchases online using *Access Online*™ (see definitions) prior to due date.

### Assigning Account Codes

The default account code for each card will be used unless a change is made during online reconciliation or on the Transaction Summary.

### *Access Online*™

- 1) All supervisors may have access to the *AccessOnline*™ option. This allows online reconciliation and approval. Contact the Business Office for information and authorization.
- 2) For those custodians who would like access, the Request for Issuance of *Access Online*™ Access Code form must be completed and submitted to the Business office. This will generate an access code to allow online approval and reconciliation.

# OLYMPIA SCHOOL DISTRICT

## PROCUREMENT CARD PROCEDURES

### Problems

#### Policy or Procedure

- Any non-allowed charges may result in payroll deduction or reimbursement to the District.
- Any failure to comply with procedures, limits, policies, and timelines may result in revocation of card privileges.

#### Declined Card

The following may affect card acceptance:

- 1) purchase over the transaction or credit limit  
*Solution:* submit a requisition for a PO to make the purchase or submit Request to Increase Card Limit from supervisor.
- 2) incorrect expiration date or Bill To address  
*Solution:* check the date on the card and use the District address when ordering.
- 3) blocked Merchant Category Code (MCC) (see definitions)  
*Solution:* purchase from another vendor or contact the Business Office at ext. 6120.
- 4) omission or mismatch of Credit Verification Code (CVC)  
*Solution:* verify 3-digit number on back of card.
- 5) Failure to produce the Authorization to Use Procurement Card.  
*Solution:* complete the form available from the Business Office.

#### Lost or Stolen Card

- 1) Contact US Bank immediately at 1-800-344-5696.
- 2) Contact the Business Office at ext. 6120.
- 3) Card will be canceled and reissued.
- 4) Destroy original card if it is later found.

#### Charge Discrepancies

- 1) The employee must report any disputed charge or other discrepancy to the Business Office.
- 2) The employee must contact the vendor directly for resolution. If the problem is not resolved with the vendor within 50 days, contact the Business Office.
  - Generate a document with vendor name, number, phone, dates, action, timeline, return authorization number, etc. to submit to the Business Office.
  - Use traceable means to return (i.e. UPS), if applicable.
  - Request proof of delivery, if merchandise not received.
  - Reporting to the card company must take place within 60 days of purchase.

#### Contact by Card Company

US Bank guards against fraud by analyzing the purchases for consistency of purchasing patterns. If the pattern changes someone from the card company may contact the card custodian. Should you receive a call, be ready to confirm or deny any charges in question.

# OLYMPIA SCHOOL DISTRICT PROCUREMENT CARD PROCEDURES

## Problems

### **Contact by Card Company (continued)**

Use the following guidelines:

- 1) To verify the identity of the representative calling, ask for a call back number that routes through their main switchboard and call back.
- 2) Do not give the card number to the caller; confirm the number provided by the representative.
- 3) When asked to verify purchases, a vendor name may not yet be available; therefore, the dollar amount will be verified.
- 4) Cooperation is crucial to the value of this procedure.
- 5) Contact the Business Office immediately following an interview.
- 6) In the event of a fraudulent charge, the card company will send the card custodian an affidavit.
- 7) Forward a copy of the completed affidavit to the Business Office.
- 8) The Business Office will issue a replacement card, if necessary.