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## **PROCUREMENT CARDS**

### **DEFINITIONS**

- 1) **Procurement Card**  
A procurement card is used for District purchases and travel. The two most common 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 for higher volume of purchases.
  - b) **Travel Card** – used for authorized District travel expenditures only.
    - i) Held for checkout at schools or departments and the Business Office.
- 2) **Memo of Understanding**  
All staff who are cardholders or will use, reconcile, sign our, or keep cards, are required to sign a memo of understanding. The signer 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 or principal for checkout cards, or the individual named on the face of the card. The card custodian is responsible for authorizing uses 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 or using the Purchase Card Transaction Summary attached to the receipts.
- 5) **Paymentnet™**  
*Paymentnet™* is the name of the online approval and reconciliation option for card supervisors and custodians.

### **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 a change, the original account 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 volume 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.

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**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** must be on file to check out a card. A copy of the employee's **Authorization to Use Procurement Card** is recommended to be carried with the card, as some vendors may require it.
- 2) The schools and/or department must use a **Procurement Card Sign-Out Log**, available in 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 other non-employee. Only the employee who signed the sign-out log for the card and time period stipulated may use the card.
- 5) The card must be returned to the card custodian immediately after purchase.
- 6) All original, itemized receipts must be attached to the completed, signed and approved Purchase Card Transaction Summary, and are due to the Business Office.

**RECEIVING A CARD**

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

**USES OF PROCUREMENT CARDS**

**USING A CARD**

- 1) A **Memo of Understanding** must be completed, approved and on file in the Business Office.
- 2) An **Authorization of Use Purchase Card** must be on file in the Business Office prior to using a checked-out card (a general-use card held at the school or department).
- 3) **UNDER NO CIRCUMSTANCES** may a student, parent, volunteer or other non-employee use a card.
- 4) All original, itemized receipts must be attached to the completed, signed and approved Purchase Card Transaction Summary, and are due in the Business Office no later than Monday following the purchase.
- 5) Building and department heads do **NOT** have the authority to make exceptions. Contact the Business Office with any special requests or questions.
- 6) Cards may only be used for current school year purchases. Transaction dates must be prior to the end of the school year.
- 7) All cards and receipts must be turned in to the card custodian prior to the last day of school.
- 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 card privileges.

**PURCHASE CARD ALLOWED USES**

Only supplies and materials for District use may be purchased with the card.

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**PURCHASE CARD EXCLUDED USES**

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

**TRAVEL CARD ALLOWED USES**

- 1) Transportation
- 2) Food (up to 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) Cash advances
- 2) Entertainment (except ASB with prior approval)
- 3) Alcohol

**COMBINATION CARD ALLOWED USES**

See Purchase Card and Travel Card Allowed Uses and exclusions.

**INTERNET PURCHASES**

- 1) Verify the site is secure
- 2) 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.
- 3) 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.
- 4) 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.
- 5) 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 the P-Card number
  - b) Date and Time
  - c) Amount

**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

\* Taxes will be charged to the default account on the card even if the vendor does not charge taxes.

◇ Schools or departments may request card limits less than the maximum; contact the Business Office.

+ Splitting transactions to circumvent limits is prohibited.

**REQUESTING A CREDIT LIMIT CHANGE**

- 1) The card supervisor may request a temporary increase in 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

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**RECORD KEEPING & RECONCILIATION**

- 1) Original documents (receipts, packing slips, invoices, confirmations, statements, etc.) must be kept with the **Transaction Summary** until approval by the card supervisor and are the responsibility of the card user. If a receipt is lost or destroyed, contact the Business Office for an **Affidavit of Lost or Destroyed Receipt**, which must be completed and accompany the **Transaction Summary**.
- 2) Reconciliation must be completed by the card user and submitted by the due date.
  - a) The **Transaction Summary** must be complete with account codes (see Assigning Account Codes below) and signatures.
  - b) Online reconciliation is available to card custodians (see *Paymentnet™ below*). Online reconciliation and the accompanying receipts are due to the Business Office no later than Monday after the purchase.
- 3) The card supervisor must
  - a) Approve, sign and code the **Transaction Summary** prior to submission by the purchaser, or
  - b) Approve and assign codes for purchases online using *Paymentnet™ no later than Monday after the purchase*.

**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**.

***Paymentnet™***

- 1) All card custodians have access to the *Paymentnet™* option. This allows online reconciliation and approval. Contact the Business Office for information and authorization.
- 2) For those supervisors who are not card custodians, the **Request for Issuance of *Paymentnet™* Access Code** form must be completed and submitted to the Business Office. This will generate an access code to allow online approval and reconciliation.

**PROBLEMS**

- 1) The employee must report any incorrect/duplicate charges or other discrepancy to the Business Office. Reporting must take place within 60 days of purchase to effect resolution.
- 2) Any non-allowed charges may result in payroll deduction.
- 3) 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
- 2) Solution: submit a requisition for a PO to make the purchase or submit Request to Increase Card Limit from supervisor.
- 3) incorrect expiration date or Bill To address
- 4) Solution: check the date on the card and use the District address when ordering.
- 5) blocked Merchant Category Code (MCC) (see definitions)
- 6) Solution: purchase from another vendor or contact the Business Office at ext. 6120.
- 7) omission or mismatch of Credit Verification Code (CVC)

- 8) Solution: verify 3-digit number on back of card.
- 9) Failure to produce the Authorization to Use Procurement Card.
- 10) Solution: complete the form available from the Business Office.

**LOST OR STOLEN CARD**

- 1) Contact JPMorganChase immediately at 1-800-270-7760.
- 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.
- 3) Generate a document with vendor name, number, phone, dates, action, timeline, return authorization number, etc. to submit to the Business Office.
- 4) Use traceable means to return (i.e. UPS), if applicable.
- 5) Request proof of delivery, if merchandise not received.
- 6) Reporting to card company must take place within 60 days of purchase.

**CONTACT BY CARD COMPANY**

JPMorganChase guards against fraud by analyzing the purchases for consistency of purchasing patterns. If this 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.

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.



*PROCEDURE ESTABLISHED*      *March 8, 2004*  
*PROCEDURE REVISED*        *May 27, 2008*

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**MEMORANDUM OF UNDERSTANDING**

I understand Olympia School District has authorized my use of a District procurement card (purchase card and/or travel card) for authorized business expenditures on its behalf. In accepting and/or using the card, I agree to be bound by its terms and conditions, which follow:

I will use the card(s) issued to me only for the payment of authorized expenses on behalf of the District which include supplies, materials (Purchase Card), and extended travel related items (Travel Card).

- 1) I will not use the cards to obtain cash advances.
- 2) I will not use the cards for personal use or for any non-District purpose (even if I reimburse the District).
- 3) I understand the cards shall not be used for the following:
  - ♦ Salaries or wages
  - ♦ Cash advances
  - ♦ Restaurants (except for ASB and travel)
  - ♦ Donation to charities
  - ♦ Furniture over \$1,000 (with prior approval)
  - ♦ Gifts (including flowers or meals for employees)
  - ♦ Cell phones (with prior approval)
  - ♦ Grant funded expenditures, unless approved by the Superintendent or designee
- 4) Exceptions may be approved by Business Department in advance on a case-by-case basis.
- 5) I understand that I am responsible to provide appropriate documentation for all transactions.
- 6) I will notify and surrender the cards to the Business Department in the event of my transfer or separation of service from the District.
- 7) I will immediately report any stolen or lost cards to the bank and to the Business Department.
- 8) I understand any charges against the card not properly identified, or not allowed by the District shall be paid by the employee incurring the charges through payroll deduction. I further understand that if any disallowed charges are not repaid before the card billing is due and payable, the District shall have a prior lien against and a right to withhold any and all funds payable to me up to the amount of the disallowed charges and any applicable interest.
- 9) I further understand that any employee who has been issued a card shall not use the card if any disallowed charges are outstanding and shall surrender the card upon demand to the Superintendent or designee.
- 10) I understand that any variance and/or violation to the above conditions will result in cancellation of the card. Misuse of the card will result in discipline and/or personal liability for disallowed charges.
- 11) Any District card use is subject to examination by the Business Department and the State auditor.
- 12) The District shall have unlimited authority to revoke use of any card issued and upon such revocation shall not be liable for any cost subsequently charged to the card.
- 13) The cards can be used for *current year business only*.
- 14) I understand that purchases are limited per transaction and per month and I will know the credit limit for all cards I use.

**I HAVE READ AND UNDERSTAND THE ABOVE CONDITIONS:**

\_\_\_\_\_  
Print Name and Title

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Supervisor Signature

\_\_\_\_\_  
Date

