

DULUTH PUBLIC SCHOOLS

ISD 709

PURCHASE CARD (P-CARD) PROGRAM

Procedure Manual

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Forms:

- P-card Application
- P-card Incident/Loss Report
- ISD 709 Employee P-card Agreement
- P-card Payment Request Form
- Preapproval for Professional Leave and/or Travel (Form 3136-P)
- P-card Sign-out Form

Introduction

The Purchase Card, known hereafter as the P-card, is a simplified and cost-effective method of purchasing and remitting payment for approved expenditures. The P-card can be used for acceptable retail purchases in person or by mail, telephone, fax or the internet. A list of “Unacceptable Purchases” is on page 7.

The P-card is a MasterCard issued by BMO Harris Bank. All P-cards are issued at the request and approval of the appropriate authority. P-card usage will be audited and may be revoked at any time. Department cards may be used as assigned by your supervisor. **You are the only person authorized to use your card!**

This is not meant to replace our primary purchasing method, which is the Purchase Order. The P-card is an alternative method that reduces costs when used properly. One example is a face-to-face, retail store, acceptable purchase with a low dollar amount of \$25.00.

When using a Purchase Order, the funds are encumbered from the beginning at the time of requisitioning. The P-card has no encumbrance feature. You must check your budget and keep track of your P-card purchase manually. Please be certain to only use the P-card when you have budgeted for the expense.

Repeat purchases from the same vendor would be better served under an open annual type of Purchase Order and not by using the P-card. If you are unsure of when and where to use a P-card or Purchase Order, please contact the Purchasing Department.

The P-card is to be used in accordance with the guidelines established within this manual. You are asked to treat this program with the same sense of responsibility and security you would use with your personal credit cards.

Record keeping will be essential to ensure the success of the program. This is not an extraordinary requirement since standard reimbursement policies require the retention of all receipts.

This manual provides the guidelines under which you may utilize your P-card. Please read it carefully. Your signature on the ISD 709 Employee P-card Agreement indicates that you understand the intent of the program and agree to adhere to the guidelines established for the program.

Finally, remember you are spending District/public funds each time you use the P-card. **You are only authorized to use this card to make acceptable purchases on behalf of ISD 709!**

General Information

- The P-card may be used at any merchant that accepts MasterCard.
- The P-card is not to be used for personal purchases.
- You are responsible for the security of your card, and any transactions made against the card. The P-card is issued in your name, and it will be assumed that any purchases made against the P-card will have been made by you and approved by your supervisor.
- Use of the P-card not in accordance with the guidelines established for this program will result in revocation of the card, and may result in appropriate levels of employee discipline.
- Original receipts must be received in Accounts Payable in Historic Old Central High School (HOCHS) within seven (7) calendar days of the purchase.

How To Obtain a P-card

To start the process of applying for a new P-card, the applicant needs to request and fill out the P-card Application and send it to the P-card Administrator. This form can be requested from the P-card Administrator. Once the P-card Application has been received and approved by the P-card Administrator, a P-card will be requested from BMO Harris Bank. It will take 7-10 days to receive the P-card. Then it will be forwarded by the P-card Administrator to the applicant, along with the ISD 709 P-card Agreement and the Procedure Manual.

The agreement should be read, initialed, signed, and returned timely to the P-card Administrator. This form acknowledges that you have read and understand the rules of the program. A P-card issued to an employee is activated by the employee. A P-card issued to the department is activated by the P-card Administrator.

Although the card is issued in your name or department, it is the property of ISD 709. It should only be used for acceptable purchases as defined in this manual.

Program Restrictions

Each P-card has been assigned a credit limit determined by your supervisor and the P-card Administrator.

The P-card will be accepted for generally approved purchases of ISD 709. Unacceptable businesses, services, and products have been blocked from accepting the P-card. Please see “Unacceptable Purchases” on page 7.

If your card is declined by a merchant and you feel this should not have occurred, contact the P-card Administrator. All P-card declined purchases post to the BMO Harris Bank website in about a day.

Department Card

If your department would like to have a P-card issued in the name of the department, rather than an individual, it requires the approval of the department supervisor. The department supervisor will also need to determine who will safeguard the P-card and be responsible for tracking the daily usage. After this has been determined, a P-card Application can be completed.

Once a P-card has been received, it will be forwarded to the department, along with the ISD 709 P-card Agreement and Procedure Manual. The agreement should be initialed by the employee safeguarding the P-card, and then the bottom of form filled out completely, and returned to the P-card Administrator. As it states in the P-card Agreement and in the Procedure Manual, all receipts should be received in Accounts Payable within seven (7) calendar days.

Department P-cards should be signed out and in to other personnel by the person who safeguards the card. A P-card Sign-out Form is provided at the end of this manual.

Sales Tax

Most ISD 709 acceptable purchases are tax-exempt. ISD 709's Minnesota tax-exempt number is on the P-card.

It is the cardholder's responsibility to notify the merchant that ISD 709 is tax-exempt, and provide them with the tax-exempt number located on the card. If you end up with a receipt that has sales tax on it, please contact the vendor to resolve or receive a credit.

P-card Incident/Loss

All P-cards are the property of ISD 709 and should be locked up and secured properly. If a P-card is lost, or some other incident has occurred that may result in unauthorized purchases being charged to a P-card, BMO Harris bank must be notified immediately.

For all Lost/Stolen cards, or for any inquiries, please call the following number:

BMO / Harris Bank: 1-800-844-6445

Corporate Number: 701432

Explain the situation to them. You will also be asked for the name on the card.

A P-card Incident/Loss Report should be completed and faxed or emailed to the P-card Administrator (Fax 336-8777 or Email address sheila.stevens@isd709.org).

Reconciliation

The P-card program carries corporate, not individual, liability. You will not be required to pay your monthly statement using personal funds. The P-card does not impact your personal credit rating in any way.

If you make a purchase via phone or mail, ask the merchant to include a receipt with the goods when the product is shipped to you. If that is not possible, you must obtain a packing slip when the shipment is received to document the purchase. **It is required that all original receipts for goods purchased must be received in Accounts Payable in HOCHS within seven (7) calendar days.** Please allow time for interoffice mail delivery.

If you would like access to the website to view your P-card transactions, please call or email the P-card Administrator. The cardholder may also keep a transaction log of all receipts and statements. The log serves to remind cardholders of transactions and assists in reconciliation of the monthly statements. A periodic audit will be conducted of card activity and submission of receipts.

Misuse of the P-card includes:

- Using the P-card for personal purchases
- Purchase of unauthorized items
- Use of the P-card by someone other than the cardholder
- Fraudulent or inaccurate record keeping

There may be an occasion when you find items on your transaction log that do not correlate with your receipts or monthly statement. Your first recourse is to contact the merchant involved to try to resolve the error. If the merchant agrees that an error has been made, request a credit. Make a note of the transaction in question and what was done to resolve the issue as a reminder that the item is still pending. Inform Accounts Payable of the issue.

If you are unable to resolve the issue directly with the merchant, contact the P-card Administrator.

Travel

The P-card should **not** be used for meals. Meals are paid on a per diem basis only. See Board Policy 3136 and 3136R for further information. Form 3136-P Preapproval for Professional Leave and/or Travel highlights the per diem amount, and should be filled out in advance for meals. A copy of the form is included at the end of this manual.

In Summary

The ISD 709 P-card program is an opportunity to reduce paperwork, expedite the purchasing process, and reduce administrative expenses.

Exercise good judgment, and act within your authorized budget when using your card. The P-card is issued in your name, and all activity will be assumed to have been incurred by you. We ask you to maintain simple, but accurate, records and receipts for auditing purposes.

Please use the forms provided here and copy them as needed. Forms created outside of the Finance department will not be accepted.

If you have any questions about the program, or need additional information, please contact the P-card Administrator or the Purchasing Department.

Unacceptable Purchases

The following items are not appropriate:

- Alcoholic beverages/tobacco
- Cash advances
- Capital equipment purchases
- Carpeting/area rugs
- Cell phones
- Computer hardware and/or software
- Contracted services
 - Entertainment contracts, i.e. bands, DJs, speakers
 - Equipment maintenance contracts
 - Educational training contracts
 - Professional services
- Contributions/donations
- Gas cards (Except when pre-approved under a grant)
- Gift certificates, gifts, gift cards (Except when pre-approved under a grant)
- Firearms/ammunition
- Flowers
- Furniture or furnishings
- Inappropriate adult video/reading material
- Insurance
- Items intended for personal use
- Items prohibited by Board Policy
- Items purchased with student activities funds
- Lottery tickets, gambling
- Magazines
- Memberships
- Payments to individuals (1099)
- Phone cards
- Pharmaceuticals (Prescription drugs, non-prescription drugs, illegal drugs)
- Subscriptions
- Travel expenses
 - Airline tickets (See Business Services for air travel)
 - Mileage
 - Meals
- Temporary help

The above list is not intended to be all-inclusive as it pertains to card restrictions. If you are not sure about the status of an item you wish to purchase using the P-card, please contact the P-card Administrator at 336-8700 ext. 1001 prior to actual purchase.