

Sparta Area School District

Administrative Rule 156B – Purchasing Cards

Small PCard Purchases

The Small PCard Purchases System replaces the District's Petty Cash System. The Small PCard Purchases System is not intended to replace planning by employees for the orderly and systematic purchase of needed resources. General office supplies shall be obtained through purchase orders from the District's designated vendor(s). The Small PCard Purchases System enables employees to make small purchases for transactions that have been approved by an administrator. When an administrator seeks to make a Small PCard purchase another administrator will give approval. Because the District is a tax-exempt organization, sales tax shall not be paid for purchases.

Upon authorization by the Program Administrator, Small PCards may be ordered in the name of the building or program for "Small PCard Purchases." These Small PCards will be subject to a maximum \$2,500 credit limit. The Small PCard will be assigned to a Card Custodian who will be responsible to check the Small PCard in and out and reconcile approved transactions.

Small PCard Purchases System is limited to the following list:

1. Postage
2. Office or room supplies – General office supplies shall still be bought using a purchase order to the District's designated vendors.
3. Food – meals for employee travel are to be submitted for reimbursement per Article 317.
4. Field Trips
5. Other small purchases

The following items may not be purchased through the Small PCard Purchases System

1. Equipment – i.e. purchases coded to the 500 object series – requires purchase order
2. Software – requires purchase order
3. Items which should be claimed on an employee monthly expense statement (Article 317)
4. Items that should be prepaid expenses – i.e. registrations, hotels, etc.- requires purchase order
5. On-line Purchases
6. Gift cards for compensation

Individual Small PCard Purchases are limited to \$250. Each purchase requires separate approval. Individual purchases cannot be divided into smaller purchases in an effort to avoid the \$250 limit. In rare circumstances when a purchase order and "Regular PCard" purchase

process may not be used, the Director of Business Services may authorize the use of the Small PCard Process for single purchases up to \$500.

Process:

1. Employee obtains signature of the Building Administrator ~~or District Supervisor~~ on PCard Authorization Form. In the case of use by an Administrator or District Supervisor, the signature of another administrator is obtained. The Administrator ~~or Supervisor~~ authorizing is indicating that the purchase is properly coded within the District accounting system, within budget, allowable under Board policy, and is appropriate for use in its program area. An authorized amount must always be noted before the form is approved. If actual charges exceed the authorized amount, Administrator approval is needed.
2. The Card Custodian verifies that the employee has signed an employee PCard Use Agreement, then checks out the Small PCard to the employee and logs the date and time for the check out and returns of the Small PCard. The Card Custodian keeps a copy of the voucher.
3. The employee is responsible for the security of the Small PCard at all times when it is checked out. The employee is never authorized to delegate use of the Small PCard to others.
4. The employee makes the purchase and returns the itemized receipt and Small PCard to the Card Custodian within one working day. It is the employee's responsibility to verify sales tax is not charged when the purchase is made.
5. The Card Custodian compares all receipts against the PCard statement, approves the vouchers, and prepares a verification report, within two working days of the statement date. The report is forwarded to Business Services.
6. The Card Custodian will bring to the Program Administrator's immediate attention any transactions that are not authorized by a voucher, or transactions occurring when the Small PCard is not checked out.

Regular PCard Purchases

PCard purchases in excess of \$250 are to be approved under the Regular PCard Purchases System. Regular PCard Purchases are pre-approved and are made by a District authorized Card Holder after approval by an Administrator ~~or Supervisor~~. The Card Holder may not check out the PCard to another employee.

Individual purchases up to \$1,500 may be made by the Card Holder after an employee provides a PCard Authorization Form that has been approved by an Administrator ~~or Supervisor~~. The Administrator ~~or Supervisor~~ authorizing is indicating that the purchase is properly coded within the District accounting system, within budget, allowable under Board policy, and is appropriate for use in its program area.

The Regular PCard Purchases System is paired with the District's Requisition Approval System for purchases in excess of \$1,500, up to a maximum of \$5,000. With an approved Purchase Order, an authorized Card Holder may use a PCard to complete the purchase authorized by a fully-approved Purchase Order consistent with Financial Procedures Policy, Article 156.

It is the responsibility of the Card Holder to ensure the transaction is completed per District Policy and Procedure, including being processed as tax exempt. The authorized Card Holder will sign an employee Purchasing Card Agreement before being issued a PCard. Failure to follow the agreement could result in disciplinary action, up to and including termination from employment and criminal prosecution.

Upon authorization by the Program Administrator, PCards will be subject up to a maximum \$10,000 credit limit. A credit limit may be temporarily increased on a Card Holder's PCard by the Program Administrator when necessary for an approved Purchase Order.

The following items may not be purchased through the Regular PCard Purchases System

1. Equipment – i.e. purchases coded to the 500 object series – requires purchase order
2. Software – requires purchase order
3. Items which should be claimed on an employee monthly expense statement (Article 317)
4. Items that should be prepaid expenses – i.e. registrations, hotels, etc. – requires purchase order.

Secured Central Office PCard Purchases

The Program Administrator will designate Business Services Staff to be Card Holders for Secured Central Office PCard Purchases. Secured PCards will be stored in locked areas in the Business Services Office. A control system will be used to ensure employee's use of the PCard is monitored by another employee. Card Holders will check out their PCard from another employee. Card Holders will prepare a daily report of their transactions. A different employee will perform a monthly reconciliation of all transactions and review transactions on a weekly basis.

Secured Central Office PCards will be used to:

1. Complete Purchases from authorized Purchased Orders of items that exceed building standard Regular PCard Purchases limits.
2. Use to complete payment of invoiced items that were not ordered using a PCard at the time the Purchase Order was issued.
3. Pay for invoices and statements such as leases, utility bills, and other items for which the District may be billed without issuing a Purchase Order.

Central Office Card Holders will be provided additional training in secure credit card procedures and will sign an Employee Card Holder Agreement.

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