



Waterford School District and Fifth Third Bank Purchasing Card Program

Administrative Guidelines and Board Policy

OVERVIEW

These P-Card Administrative Guidelines provides information about the process, the types of purchases that can and cannot be made, records that must be maintained and reconciled for each cycle, and other pertinent program information.

- The Program is intended to streamline and simplify the Purchasing and Accounts Payable process for one-time vendor purchases, conferences, membership dues, and mainly non-tangible items.
- The Program is a tool that reduces transaction costs, facilitates timely acquisition of materials and supplies, automates data flow for accounting purposes and offers flexible controls to help ensure proper usage.
- The Purchasing Card Program is designed as an alternative to petty cash purchases, check requests, and low dollar purchase orders **UNDER \$500**.
- The Purchasing Card (P-Card) has a single transaction limit of **\$1000** in accordance with Board Policy.

THE PURCHASING CARD PROGRAM IS NOT INTENDED TO CIRCUMVENT, AVOID, OR BYPASS THE CURRENT PURCHASE REQUISITION / PURCHASE ORDER PROCESS THROUGH BUSINESS PLUS. DO NOT SPLIT A TRANSACTION INTO SEPARATE RECEIPTS TO EVADE A SINGLE PURCHASE LIMIT.

- P-Card purchases may be made only in accordance with established, pre-approved single purchase limits, monthly spending limits, funds availability, and the appropriation of a building, department or grant budget.
- Contact the P-Card Administrator if the current purchase limit is set too low. The P-Card Administrator can set a temporary increase to your limit for a specific purchase and/or time period, or set a permanent limit increase if necessary. A permanent increase will require approval in writing signed by the Administrator responsible for the department budget.
- Although the P-Card is in the name of the Cardholder, the P-Card is issued to and owned by the Waterford School District. The P-Card will have no impact on a cardholder's personal credit, nor any personal information be provided for the card issued.

REMEMBER THAT YOU ARE COMMITTING DISTRICT FUNDS EACH TIME A TRANSACTION IS MADE USING THE P-CARD.

RESPONSIBILITY

The P-Card is the property of the Waterford School District and is only to be used for District purchases as defined in this Administrative Guide and Board of Education Policies. P-Cardholder responsibilities are as follows:

- Required to sign a Purchasing Card Cardholder Agreement before using the card
- Immediately sign the back of the P-Card when received
- Responsible for the security of the card and all transactions made against the card
- Shall inform Merchants/Vendors that the District is Tax-Exempt and provide them the required form
- Must receive, upload in SDG2, and retain receipts for all transactions.
- Understand that intentional misuse or fraudulent abuse may result in disciplinary action up to and including termination of employment.

RESTRICTIONS

Subject to the discretion of the Board and approval of the Assistant Superintendent of Business & Operations, or designee, a P-Card **MAY BE** used for eligible goods and services as follows:

- Conference registrations, hotel reservation guarantees and expenses, transportation reservations and expenses, reasonable meal expenses (both in-town and out-of-town), including maximum gratuity of twenty (20%) but excluding alcoholic beverages.

The P-Card **IS NOT** to be used for the following:

- personal items or services, alcohol, tobacco, cash transactions such as money orders, ATM, travelers checks, wire transfers, flowers for staff related illness or death of a staff member or his/her immediate family member.
- Personal gain of credit card rewards such as bonus points, frequent flyer miles, or any other affinity program reward by the Cardholder is prohibited under any circumstances.

USAGE

The District P-Card may be used wherever it is accepted, by phone, and for online purchases. It is required at the time of purchase that you receive a detailed, itemized receipt and notify the Merchant/Vendor of the District's Tax-Exempt status, forwarding to them the appropriate Tax-Exempt form.

- At the time of sale the Cardholder will be required to give the P-Card number, expiration date, security code from the back of the card, and the "ship to" address. The order must be addressed to the attention of the Cardholder. It is important that the name of the card (i.e. Visa, MasterCard, etc.) and Cardholder name appear on the invoice.
- When placing an order by phone or online, inform the Merchant/Vendor that the District maintains a Tax-Exempt. See Sales Tax section below.
- When placing an order by phone or online, request that a receipt or confirmation be emailed to you. Also request that a receipt or packing list be included with the goods when the product is shipped.
- If purchase is made in person, a detailed, itemized original receipt should be provided.
- Receipts must be uploaded to SDG2 for all items purchased.
- If unable to provide a detailed, itemized receipt you agree to reimburse the district for the cost of the charge within 10 calendar days. If reimbursement is not received you agree by signing this document to a payroll reduction for the amount of the items charged.

SALES TAX

WATERFORD SCHOOL DISTRICT IS TAX-EXEMPT AND SALES TAX SHOULD NOT BE PAID ON PURCHASES USING THE P-CARD WHETHER IN-STATE OR OUT-OF-STATE.

- Michigan Tax Exempt Certificate (ME-0100612): The District's blanket Tax-Exempt Certificate is updated annually on July 1 and is available on the District's Intranet under Purchasing-Forms. WSD Tax-Exempt Certificate must be provided to the vendor before or at the time of the sale.
- Streamlined Sales Tax Agreement-Certificate of Exemption (Online Orders): In July 2018, the US Supreme Court issued its opinion in a landmark sales tax nexus case, raising concern where states may require sales tax be paid for online orders. Make sure to ask the question at the time of order and forward Form F0003 available on the District's Intranet under Purchasing-Forms. This form must be provided to the vendor before or at the time of sale.
- If sales tax is charged you agree to reimburse the district for the cost of the sales tax within 10 calendar days. If reimbursement is not received you agree by signing this document to a payroll reduction for the amount of the sales tax charged.

RECONCILEMENT

A P-Card statement is received from Fifth-Third monthly to identify purchasing transactions made against the District P-Cards during the billing cycle which starts on the first day through the last day of each month.

- P-Card must be reconciled in SDG2 by following the Reconciliation Reference Guide. The Account Statement must be immediately reconciled against your receipts for accuracy.
- The Cardholder must sign and date the Account Statement and Reconciliation Report attaching original receipts and forwarding to the Program Administrator. Retain a copy for your record.
- If unable to provide a detailed, itemized receipt you agree to reimburse the district for the cost of the charge within 10 calendar days. If reimbursement is not received you agree by signing this document to a payroll reduction for the amount of the items charged.
- The P-Card cycle starts on the FIRST day and ends on the LAST day of the month. When reconciling the account use the Posting date vs Transaction date.
- The P-Card must be reconciled and received by the Program Administrator no later than the 10th of the following month.

ERRORS AND DISPUTES

- Most disputes can be resolved with the Vendor directly. In the event of an error and/or dispute the Cardholder must contact the Vendor to reach an agreement.
- If unable to reach an agreement with the Vendor, a Statement of Dispute Form located on the Intranet under Purchasing-Forms should be completed by the P-Cardholder and faxed to **513.358.7327** as indicated on the form forwarding a copy to the Program Administrator. Fifth-Third will flag the transaction on the account pending an investigation.
- All disputes must be submitted in writing to Fifth-Third Bank within 60 days of the statement date.

P-CARD PAYMENT

The P-Card is a corporate pay arrangement between the Waterford School District and Fifth-Third Bank.

- Purchases made on the P-Card will be paid by the District and charged directly the account code indicated on the reconciliation.
- Do not send monthly reconciliation to Accounts Payable with a Check Request.

LOST OR STOLEN P-CARDS

The District P-Card must be kept in a secured place, just as you would secure your personal credit cards.

- If your card is lost or stolen, immediately contact Fifth-Third Bank at **800.375.1747**
- Fifth Third Bank will order a new card with a new account number. The new card will be sent to the Finance Director and you will be notified upon receipt.
- Advise the Program Administrator that your old card was compromised and that a new one is in route.

P-CARD DECLINED

If your purchase is declined, the Vendor will not know why the sale did not go through.

- Call the number on the back of the card **800.375.1747** and speak with a Customer Service Representative who can tell you the reason the sale was declined.

NON-ACCEPTANCE OF THE P-CARD

Merchants are encouraged to become involved in the P-Card Program so that you can use the Program most effectively.

- Merchants may contact their local bank or financial institution to become credit card capable.
- For Merchants unwilling to participate in the Program, alternative sources should be found.

AUDIT

Your purchasing card activity is subject to random audits by the Business Office and/or the District's Auditing Firm to help ensure adherence to the P-Card Program's policies and procedures.

RESIGNATION OR POSITION CHANGE

If you transfer or resign your position immediately return your P-Card to the Program Administrator.

Waterford Parent Site Bylaws & Policies

6424 - PURCHASING CARDS

The Board of Education recognizes that bank purchasing cards offer a valuable alternative to existing procurement processes and provide a convenient, efficient method of purchasing minor goods and services with a value of less than \$1000.00. Board employees authorized by the Treasurer may use purchasing cards only for school-related purposes in accordance with this policy and administrative guidelines to be developed by the Superintendent. Purchasing cards shall not be used to circumvent the general purchasing procedures required by State law and Board policy.

All approved cardholders must abide by purchasing card procedures and regulations set forth in this policy and relevant administrative guidelines. All transactions must be made by the individual to whom the card is issued.

Purchasing card banks shall be not be provided with individual cardholder information (e.g., credit records or social security numbers) other than the individual cardholder's work address.

The Director of Finance shall conduct independent regular reviews of each cardholder's activity to verify that the purchasing card is being used in accordance with this policy and administrative guidelines. Prices for commonly priced items should be periodically verified to prevent schemes of purposeful price inflation.

Cardholders must use common sense and good judgment when using school resources. This policy and related administrative guidelines cannot cover every issue, exception, or contingency that may arise during the cardholders use of the purchasing card.

Cardholders will immediately surrender their cards upon request of the Director of Finance and shall surrender their cards upon separation from employment. Cardholders are required to take reasonable prudent measures to protect the use and custody of the card and shall immediately notify the Business Office if the card is lost or stolen.

The purchasing card may never be used to purchase alcohol or personal items or services. The personal gain of credit card rewards such as bonus points, frequent flyer miles, or any other affinity program reward by the employee/cardholder is prohibited under any circumstances.

Misuse of the purchasing card may result in disciplinary action.

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