

PROCUREMENT CARD PROGRAM

EFFECTIVE: MARCH 2010

INTRODUCTION

The procurement card program provides a more rapid process for small purchases while reducing paperwork and handling costs. Using the Procurement Card Purchasing System (PCPS) dramatically shortens the payment cycle from the traditional requisition process which includes pricing, inquiry, order placement, delivery of goods, invoice and voucher review. This program will eventually eliminate the need for petty cash, decrease check requests and reduce the administrative cost of issuing small dollar purchase orders.

The Procurement Card is a Bank of America Visa Card issued in the employee's name with Scotland County Schools' name clearly indicated on the Card.

DEFINITIONS

Administrator: the person (Director of Finance or Lead Bookkeeper) responsible for all program details, including all cardholder inquiries

Budget Manager: the person (Principal or Department Head) who reviews and approves a cardholder's monthly statement of account

Cardholder: personnel who have been issued procurement cards and authorized to make purchases in accordance with these procedures

Requisitioner: an employee who has a need for materials that can only be fulfilled by a vendor (Under the Procurement Card Purchasing System, a requisitioner may be a cardholder.)

Single Purchase Limit: a dollar amount limitation of purchasing authority delegated to a cardholder (This dollar limit may vary from cardholder to cardholder.)

Statement of Account: the monthly listing of all transactions by the cardholder, issued directly to the cardholder by the bank

Vendor: a company from which a cardholder is purchasing materials under the provisions of this procedure

RECEIVING A PROCUREMENT CARD

Budget managers may propose personnel to be cardholders by contacting the Procurement Card Administrator (Director of Finance or Lead Bookkeeper) and by completing a Procurement Card Employee Agreement/Enrollment Form. The agreement/enrollment form indicates all information needed to set the cardholder up in the procurement card system

The proposed cardholder shall be issued a copy of these procedures and shall be required to sign the Procurement Card Employee Agreement/Enrollment Form. The agreement indicates that the cardholder understands the procedures, individual transaction limits, per month limits, purchase order restrictions and other responsibilities of a PCPS cardholder.

AUTHORIZED PROCUREMENT CARD USE

Upon receiving a procurement card, instructions will be enclosed to register the cardholder and the card online. Make sure to take this step, as you will be able to monitor all activity via the internet. The unique procurement card that the cardholder receives has his/her name embossed on the card and shall ONLY be used by the cardholder. **No other person is authorized to use that card.** While cardholders may

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make transactions on behalf of others in their school/department, they remain responsible for all use of the card.

PROCUREMENT CARD USES

The Procurement Card may be used for:

- Purchase of instructional supplies, office supplies, food purchases, film developing, etc with a \$500 per transaction spending limit and a monthly spending limit of \$2500. Cards limited to fourteen (14) transactions per day.
- Travel in accordance with the Travel Procedures of Scotland County Schools. Gas, meals and rental cars are included. Per transactions and monthly spending limits will be determined on an individual basis. Expenses related to travel should be documented on Monthly Travel Transaction Log.

PROCUREMENT CARD LIMITATIONS

The Procurement Card shall **NOT** be used for the following:

- **personal purchases or identification**
- **a single purchase that exceeds the cardholder's single purchase limit, do not split into multiple transactions to circumvent spending limits**
- **cash advances (telephone calls/monthly service)**
- **gift cards**
- **contractor payment**
- **bouncy houses**
- **meal catering**
- **game truck**
- **room services**
- **purchases of alcohol beverages**

UNAUTHORIZED PURCHASES

A cardholder who makes unauthorized purchases or carelessly uses the procurement card may be liable for the total dollar amount of such unauthorized purchases, plus any administrative fees charged by the bank in connection with the misuse. The cardholder will also be subject to disciplinary action.

BUDGET MANAGER'S RESPONSIBILITIES

The budget manager shall:

1. Propose personnel to be Cardholders by completing and submitting to the Director of Finance or Lead Bookkeeper a Procurement Card Employee Agreement/Enrollment Form. Complete Sections I and II only.
2. Prior to use and at the beginning of each fiscal year, submit electronically to badams1@scotland.k12.nc.us or mblue@scotland.k12.nc.us a requisition indicating the following. A purchase order will be issued to encumber funds based on information provided.
 - Approved cardholders names
 - Budget code(s) and dollar amount
 - Description on the requisition should be "Procurement Card Purchases"
3. Budget Manager is responsible for maintaining sufficient funding encumbered on purchase orders for all purchases. The Budget Manager may increase purchase orders by submitting a Purchase Order Amendment Form, to the Purchasing Director. Increases due to items already purchased are not permitted.

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4. Review monthly
 - cardholder's Monthly Transaction Logs
 - receipts, sales slips, etc
 - compare Monthly Transaction Logs and documentation to the statement
 - sign Monthly Transaction Logs authorizing payment; by signature the Budget Manager is verifying
 - receipt of goods
 - that the Cardholder was authorized to make the purchase
 - that cardholder complied with all procedures
 - funding is encumbered to cover expense.
5. Forward to Lead Bookkeeper, Monthly Transaction Logs, supporting documents (receipts, sales slips, etc) no later than four days after monthly closing date (including holidays). **Monthly closing date is the last day of each month.**
6. Request the Director of Finance or Lead Bookkeeper cancel a Cardholder's Card (e.g. terminated employees, transferring departments, loss of Procurement Card privileges).
7. Maintain copies of all records on site and available for audit for five (5) years

The procurement card will be revoked if the above procedures are not followed by the Budget Manager. The careful matching of complete support documents to the statement is vital to the successful use of this program.

CARDHOLDER RESPONSIBILITIES

1. Ensure the Procurement Card is used for legitimate business purposes only.
2. Maintain the Procurement Card in a secure location at all times
3. Do not allow other individuals to use their Procurement Card.
4. Obtain Budget Manager's approval prior to making a purchase.
5. Notify Budget Manager when funds encumbered on the purchase order are low.
6. Adhere to the purchase limits and restrictions of the Procurement Card.
7. Reconcile all sales slips, register receipts, and/or Procurement Card slips to the Monthly Transaction Logs, and the Bank of America Bank Cardholder statement. Bank of America Bank Cardholder statement will be accessible online. If receipt does not indicate quantity and description, provide information on a separate sheet attached to the receipt.
8. Hotel charges require an agenda.
9. Staff Development with meal purchases require an agenda or a sign-in sheet.
10. Submit to Budget Manager, Monthly Transaction Logs, Bank of America Bank Cardholder Statement and supporting receipts for approval.
11. Attempt to resolve disputes or billing errors directly with the supplier. Always complete a dispute form, found on back of bank statement, and submit to address indicated on form with a copy to the Finance Office. If the dispute or billing error is not satisfactorily resolved within one month, advise the Finance Office.
12. Ensure that appropriate credit for the reported disputed item or billing error appears on a subsequent Cardholder statement. **DO NOT ACCEPT CASH IN LIEU OF A CREDIT TO THE PROCUREMENT CARD ACCOUNT.**
13. Lost or Stolen Card
 - a. Contact Bank of America Bank at 1-800-822-5985, available 24/7
 - b. Notify the Director of Finance or Lead Bookkeeper and the Budget Manager
14. Return the Procurement Card to the Director of Finance or Lead Bookkeeper if requested to do so for any reason, upon terminating employment with Scotland County Schools or transferring to another school/department within Scotland County Schools.
15. Maintain copies of all records.

The procurement card will be revoked if the above procedures are not followed by the Cardholder. The careful matching of complete support documents to the statement is vital to the successful use of this program.

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LACK OF DOCUMENTATION

If the cardholder does not have documentation of a transaction listed on the monthly statement, they shall attach an explanation that includes a description of the item(s) purchased, date of purchase, vendor's name and reason for the lack of supporting documentation. The continual lack of documentation will result in revoking Cardholders Procurement Card

MAKING PROCUREMENT CARD PURCHASES

Procurement card procedures allow purchases from the best available source but the transaction and spending limits should not be violated. This implies the possibility of not comparing sources or competition between vendors. However, it is also policy to seek competition and the lowest prices within the parameters of quality and delivery.

PLACING PROCUREMENT CARD ORDERS

Once a vendor is designated and that vendor confirms that the goods or materials are available and meet the specification and delivery requirements, take the following steps:

1. Request the following information be included on the shipping label and/or packing list:
 - Cardholder's name and telephone number
 - Shipping address: Cardholder's school/department location address - **NO deliveries to home addresses**
 - The words "Procurement Card Purchase"
 - Vendor order number (confirmation, shipping or invoice number)
2. Print order confirmation, if ordering on internet, or make copy of catalog order form
3. Sales Tax must be taken into consideration for the purchase of goods. **Scotland County Schools is not tax exempt.** Vendors located in North Carolina should include sales tax to the order. If vendor is located outside North Carolina and does not charge North Carolina sales tax, the SCS Finance Department will pay amount of sales tax due directly to the State of North Carolina. This amount will be deducted from funds encumbered on the purchase order.
4. If the company sends an invoice with the shipment, it is for information purposes only, DO NOT PAY.
5. If necessary, advise the individual within your area who receives merchandise of the vendor's name and order number, anticipated delivery date, number of boxes expected, and carrier (UPS, FED EX, etc.)

If you attempt to make a purchase and the card is denied, contact the Finance Office within three days with the company name, date and amount of the charge. This will allow us to determine the reason for the denial and make needed corrections.

RECEIVING GOODS

After the order has been received by the Cardholder

1. Check shipment for accuracy
2. Maintain the packing slip with the order confirmation.

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3. If there are, problems with the order, missing items, duplicate items, damaged items, etc, contact the vendor directly to resolve the problem. See Cardholders Responsibilities, page 3, for information on Dispute information.

RECONCILIATION

Cardholder:

- Obtain online through Bank of America website copy of statement. Statement should be available the second day of each month (unless second day falls on weekend)
- Compare Monthly Transaction Logs to sales slips, register receipts, etc. and Bank of America statement.
- Make note of any disputed charges
- Sign and date Monthly Transaction Logs and submit to Budget Manager for review and approval

Budget Manager:

- Review documentations provided by cardholder (Bank of America statement, Monthly Transaction Logs, sales slips, register receipts, etc) and verify that prior approval was obtained and funding is encumbered
- Sign and date Monthly Transaction Logs
- Submit to Purchasing Director within four (4) days after monthly closing date.