

## *Procurement Cards*

### Delegation of Responsibility

Purchase limits on an assigned procurement card by an individual employee shall be determined by the Business Manager or designee when the card is issued. All purchases shall conform to existing Business Office procedures and Board policies.

A list of authorized users of procurement cards shall be maintained in the Business Office and shall include employees in designated positions.

All use of procurement cards shall be supervised and monitored on a regular basis by the Controller or designee, who shall ensure the use of such cards is in accordance with the funds budgeted for this purpose.

Proper accounting procedures for the use of procurement cards shall be developed, distributed, implemented and monitored by the Business Manager or designee.

An employee authorized to use a procurement card shall maintain adequate security of the card while it is in their possession. Under no circumstances may the card be used by another individual.

Employees are required to report a lost card to both the District and the issuing financial institution when the employee discovers that a card is lost. Failing to report a lost card shall be considered improper use of a card.

### Guidelines

The Business Office shall establish a Procurement Card Procedure Manual (Attachment A) and Procurement Card Usage Agreement (Attachment B) to be followed by all District personnel. The Procedure Manual and Usage Agreement shall detail the procedures for obtaining and using procurement cards, as well as the required reporting and reconciliations of the card statements and expenditures, which shall be consistent with this Regulation. Each employee using a District procurement card shall sign a Procurement Card Usage Agreement and receive a copy of the Procurement Card Procedure Manual.

Procurement cards are to be used for legitimate school business purchases only. Any use of the procurement card other than as set forth in this Regulation, and/or in violation of any District procedures, shall be considered improper use which may result in disciplinary action, in accordance with Board policy and the applicable Collective Bargaining Agreement. The District may also seek reimbursement for any improper charges, including any related collection costs.

Procurement cards shall not be used for personal use. Any personal charges on the procurement card could be considered misappropriation of District funds.

A procurement card may be revoked at any time based on improper use, change of assignment or location, or for any other reason. The procurement card is not an entitlement to, nor reflective of, a title or position.

To limit District liability attributable to fraudulent procurement card charges, the District should only contract with a procurement card vendor which limits the District's liability to a maximum of \$50 per instance.

Procurement cards shall not be used to circumvent the required bidding process. Purchases over an established amount shall require the use of a purchase order in accordance with established Board Policy and procedures.

Procurement cards shall not be used for purchases that could be anticipated at the beginning of the school year and would circumvent the required bidding process.

## **TESD Procurement Card Procedure Manual**

The purpose of the Procurement Card (“P-Card”) is to provide a cost effective, convenient and decentralized method for purchasing goods, services and other items by authorized employees for school business purposes only.

### **Procurement Card Guidelines**

- Provide guidance on the proper use of the P-Card and establish procedures.
- Ensure that P-Card purchases are in accordance with the procedures of the District and Pennsylvania Statutes.
- Ensure that the District bears no legal liability for inappropriate use of the P-Card.
- The card is for legitimate school business purchases only; personal charges are not to be made to the card.
- A card may be revoked at any time based on an improper use, change of assignment or location, or for any other reason.
- The card is not an entitlement nor reflective of title or position.
- Any use of the P-Card other than those set forth and/or in violation of any rules and procedures for using the cards, shall be considered an improper use.

The Tredyffrin-Easttown School District P-Card is available to designated employees in the District to provide flexibility to purchase small emergency materials, supplies and to charge conference registrations and accommodations. The procurement card is intended to replace petty cash. Petty cash is not available.

Specific controls have been developed for the P-Card that do not exist with traditional credit cards. These controls ensure that the card is used only for specific purposes within the spending limits and merchant code restrictions.

### **Distribution of the P-Card**

- The Business Manager authorizes the issuance of a P-Card to an employee.
- The employee being issued a P-Card must read, understand and sign the P-Card agreement.

### **P-Card Process**

- The Cardholder presents goods or services for purchase to a vendor who accepts a VISA credit card.

- The vendor processes the card information to obtain authorization for the purchase.
- The Bank receives the transaction information electronically from VISA.
- The Bank verifies the account number and spending control limits on the card.
- The Cardholder receives the merchandise and a copy of the receipt.
- The Cardholder keeps the receipts for monthly reconciliation of P-Card purchases.
- The P-Card administrator receives a consolidated monthly statement for each billing cycle and pays the bank via ACH.

### **Responsibilities of the Cardholder**

The Cardholder is responsible for the following:

- Holding and securing the P-Card and account number.
- Informing the vendor of tax-exempt status prior to processing the sales transaction. The District is exempt from paying any Pennsylvania (and generally all other states) sales and/or use tax. When tax is charged to the P-Card, it will be the responsibility of the cardholder to have the tax charge reversed or pay it from personal funds.
- Collecting and saving sales receipts. When supporting documentation is missing, the Cardholder must contact the vendor and request a duplicate receipt.
- Ensuring that sufficient budget dollars are available for the charges made.
- Reviewing, verifying and assigning the correct account code to all charges.
- Complying with the Tredyffrin/Easttown School District's policy and procedures on procurement cards.
- Returning the approved, signed statement and receipts to the P-Card Administrator.
- Reporting a lost or stolen card by immediately notifying by telephone PNC Bank Customer Service at 800-685-4039 and the District P-Card Administrator.
- Surrendering the card upon termination of employment.
- Contacting P-Card Administrator for card limits.

### **P-Card Administrator**

The P-Card Administrator (District Controller) is responsible for the following:

- Coordinating the issuance and cancellation of P-Cards.
- Reviewing and communicating to the Bank all P-Card requests and changes to card limits or merchant code restrictions.
- Collecting cards from Cardholders that are no longer required.
- Training Cardholders.
- Maintaining a list of all current Cardholders and account numbers.

- Coordinating and maintaining internal controls and program policy issues.
- Participating in ongoing program reviews.
- Participating in resolving billing disputes.
- Monitoring the program for compliance with TESD policy and procedures.
- Conducting periodic audits and reporting findings.
- Filing monthly statements and supporting documentation.

**Bank Responsibilities**

The Bank is responsible for the following:

- Activating and deactivating P-Cards at the request of the Business Manager or P-Card Administrator.
- Paying suppliers.
- Controlling pre-defined cardholder limits.
- Providing monthly statements and reporting information.
- Providing customer service.

**Tredyffrin-Easttown School District**  
**Procurement Card - Cardholder Usage Agreement**

Your participation in the District's Procurement Card Program is a convenience that carries responsibilities. Although the card is issued to you, it should be considered District property and should be used with good judgment. Your signature below verifies that you understand the procurement card guidelines outlined below and in Board Policy and Administrative Regulation 3324, and that you agree to comply with them.

1. The procurement card is provided to employees based on their need to purchase school-related goods and services. A card may be revoked at any time. The card is not an entitlement nor reflective of title or position.
2. The card is for legitimate school business purchases only; personal charges are not to be made to the card.
3. Improper use of the card (i.e. personal charges, unnecessary or unapproved charges) can be considered misappropriation of District funds, which may result in disciplinary action.
  - a. Because the procurement cards are not for personal use or for personal convenience, personal charges are not to be made to the card, even under circumstances in which the employee using a card intends to reimburse the District for those charges. Any improper use of the card (e.g. personal charges as indicated above, or any unnecessary or unapproved charges) may result in disciplinary or other action deemed necessary. Additionally, in the event of the improper use of the procurement card or any violation of this agreement or related Board policies or regulations, the offending employee will be required to immediately reimburse the District the full amount of any improper charges, plus any additional costs incurred by the District.
4. Cardholders are expected to comply with internal control procedures as outlined in the Procurement Card Procedures Manual provided to you in order to protect District assets. This includes keeping receipts and documentation, providing required account and description information, obtaining supervisor approval and sending supporting documentation to the Business Office by the required date.
5. The District is exempt from paying sales tax. The District's tax-exempt number will be on the card. You should make every reasonable effort to ensure that sales tax is not charged at the time of the transaction. If sales tax is ultimately charged, you will need to seek a credit from the vendor after the fact or pay the tax out-of-pocket as reimbursement to the District.

- 6. The procurement card is intended to replace petty cash. Petty cash is not available.
- 7. A lost or stolen card should be reported immediately by telephone to PNC Bank Customer Service at 800-685-4039 and the District's Procurement Card administrator (District Controller). Failing to report a lost card is an improper use of a card.
- 8. A cardholder must surrender the card upon termination of employment (i.e. retirement or voluntary/involuntary termination) or at the request of the Business Manager or designee.

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Cardholder Signature

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Date

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Cardholder Printed Name