

# ADEL DESOTO MINBURN COMMUNITY SCHOOL DISTRICT

## Procurement Card (P Card) Manual



## Executive Summary

**Purpose:** Use of Procurement Cards is a cost-effective way to reduce the administrative costs associated with making frequent and low dollar purchases. The purpose of the Procurement Card program is to provide a cost effective purchasing tool to authorized District staff to efficiently and effectively expedite the purchasing process. Procurement cards will be made available to employees based upon need as determined by the appropriate District Administrator.

As the District's needs change and usage continues to grow it may be necessary to revise or supplement a portion of the Procurement Card Program Manual from time to time as deemed appropriate. If questions arise in the meantime, please contact Business Manager and Procurement Card Administrator, Nancy Gee by phone or e-mail. Please see contact information listed below.

Procurement Card Administrator – Business Manager

515-993-4283 (Office)

[ngee@admschools.org](mailto:ngee@admschools.org)

Procurement Card Administrator Assistants – Rikki Kuhns and Tena McNeal

515-993-4283

[rkuhns@admschools.org](mailto:rkuhns@admschools.org)

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**Procurement Card Administration:** Due to the nature of this program, it is essential that effective internal controls are in place to provide assurances to the Board of Education and the school community at large, that the ADM Community School District is managing a program of fiscal integrity at the highest level with emphasis on responsible stewardship of public funds.

Effective administration of the Procurement Card program is critical in maintaining a program of integrity. It is reliant on the responsible actions of all District staff who are involved in the program as listed below.

- The Procurement Card Administrator within the central office will have overall District responsibility for the Procurement Card program and will be responsible for day-to-day operations of the program.
- The Procurement Card Administrator will be responsible for review of the Procurement Card program at the transaction level. All card activity is reviewed for appropriateness.
- The Procurement Card user and user's direct supervisor bear responsibility for appropriate use and oversight.

**Related Policies:** These guidelines are intended to work in conjunction with other relevant District policies including, but not limited to:

- Purchasing – Board Policy Code No. 705.2

- Bids and Quotes – Board Policy Code No. 705.1
- Credit Cards – Board Policy Code No. 401.15
- Individual Procurement Card Use Agreement
- Statement of Authority

The accompanying Procurement Card Program Manual, as well as all related policies above, is available on the District Website at: <http://www.admschools.org>

### **Guidelines**

This manual is intended to establish a set of operating rules, guidelines, and procedures to minimize instances of card misuse and maximize its benefits to the organization. It is incumbent upon all employees who wish to maintain their privilege of using the District Procurement Card that they act as good stewards of public funds.

These program guidelines govern the process by which Procurement Cards are issued, utilized, and processed. These guidelines also detail the responsibilities of the cardholders, supervisors, and management in ensuring that all Procurement Card transactions are appropriate, authorized, and recorded in a timely manner.

### **Procedural Matters**

#### **Issuance**

Issuance of a Procurement Card will be initiated by the potential cardholder's supervisor and will require employee training and a signed **Individual Procurement Card Use Agreement**.

#### **Procurement Card Limits and Restrictions**

Procurement card limits have been determined on an individual basis with the input of the employee's supervisor. Purchases are not to be split into multiple transactions in order to circumvent single transaction limits.

To increase limits after a card has been issued, contact the Procurement Card Administrator. For specific transactions or events, limits can be increased on a temporary basis by contacting the Procurement Card Administrator and providing the specific information.

#### **Acceptable uses**

- Professional education or training seminars
- Travel related expenditures
- Acceptable Online Purchases

### **Inappropriate Procurement Card Use and Consequences**

The following categories constitute inappropriate use of a Procurement Card:

1. **Personal Use:** Use of District procurement cards to pay for expenditures not specifically related to official school business shall be deemed personal expenditures and are strictly prohibited.

2. **Use in Violation of Public Purpose:** District funds are to be expended only for legitimate public purposes and not for private personal gain for which services of comparable value have not been rendered to the District.
3. **Failure to Provide Appropriate Documentation:** Every month an e-mail notification is sent to all Cardholders and the Cardholder's supervisor stating that reconciled statements with attached detailed itemized receipts are due to the business office. Failure to provide this material in a timely manner may be considered a violation.
4. **Loaning a Procurement Card is strictly forbidden.** In the event of violation, the user's card will be immediately terminated. Cardholder's supervisor will be notified. A written reprimand by the supervisor will be put in the cardholder's employee personnel file.

## CONSEQUENCES

Generally and depending upon the nature of the violation in the District's judgment, the following progressive consequences will be enforced for inappropriate, misuse or unauthorized use of a Procurement Card:

- **First violation:** The user's card will be placed on hold status and will not be reactivated until all charges have been reimbursed and all appropriate documentation is received. Cardholder's supervisor will be notified.
- **Second violation:** The user's card will be suspended for six months. Cardholder's supervisor will be notified and will be encouraged to provide the employee with a verbal warning.
- **Third violation:** The user's card will be terminated. Cardholder's supervisor will be notified. A written reprimand by the supervisor will be put in the cardholder's employee personnel file.

Loss of Procurement Card privileges includes acting as an approver for other cardholder's purchasing activity. The District reserves the right to use whatever discipline it decides is appropriate in any situation, up to and including discharge, without regard to the progressive discipline guidelines explained above.

## Consequence Appeal Process

In the event that an employee feels that a levied consequence for card misuse can be appropriately defended based upon unique circumstances, the employee has the right to appeal for reconsideration. The employee may request an appeal hearing to defend their position. Please direct all requests for appeals to the Procurement Card Administrator who will arrange for an appeal hearing.

**Appeal Hearing:** An appeal hearing will include an opportunity for the employee to provide an explanation of the circumstances related to their card usage in question. The Procurement Card Administrator will first state the finding of fact that led to the consequence for card misuse. The employee will then follow with an explanation of the circumstances.

A Procurement Card Appeal Panel composed of the Superintendent or designee, and the building administrator most closely aligned with the employee in question, will have sole voting rights to make the appropriate determination under the circumstances.

If the member of the Procurement Card Appeal Panel is the employee who is subject of the appeal hearing, then another administrator will be chosen by the Superintendent or designee to act as a voting member of the Panel. The decision of the Procurement Card Appeal Panel shall be final.

**Detail regarding Procurement Card use in violation of Public Purpose:**

All funds received by the District are considered public funds and must be used to support the educational mission of the District. The best test to use when determining whether the expenditure is appropriate is called the “public scrutiny test.” The test is simple and merely asks whether the tax – paying public would view the expenditure as necessary to support public education. **If you are already questioning whether the expenditure is appropriate, it may very well not be appropriate.** Contact your supervisor if you have any questions about appropriate expenses.

Use of the P-Card to refuel a personal vehicle is NOT allowed.

The purchase of alcohol is never an acceptable use of public monies.

Gifts/Gift Cards/Certificates and cash are NOT an allowable expense. Per the State of Iowa, school districts cannot purchase gift cards, certificates or cash for volunteers. This applies to both the General and Student Activity funds.

No Personal Purchases at a hotel

**Detailed Itemized Receipts with specific costs for all purchases must be attached to the Procurement Card Statement.**

Lodging documentation required: Final Check Out statement, showing an itemization of all nightly room charges, taxes, and other business related expense.

Airfare documentation required: Itinerary showing routing, dates, and class of service.

Rental Car documentation required: Final itemized receipt given upon return of car, showing an itemization of all charges, including daily/weekly rate, refueling charges, etc. The rental agreement given at the time of the rental is not sufficient.

Detailed itemized receipts with specific costs for all purchases must be attached to the Procurement Card statement. An acceptable receipt must include the vendor name, date, dollar amount, and description of items purchased. Receipts for meals should always include the number of staff served. If a detailed itemized receipt is not obtained, the cardholder must complete a P-Card Missing Receipt Form, which is available from the Procurement Card Administrator.

**The Purchasing Process**

The Procurement Card may be used to purchase goods/services in person, over the phone, or on the Internet (see Internet Guidelines).

1. Determine if the purchase is appropriate for a Procurement Card transaction and within your dollar limits.
2. Select a vendor based upon best price, quality and service.

3. **Sales Tax Exempt Purchases:** State that you are with the Adel DeSoto Minburn Community School District, that you will be using a credit card and that the District is **sales tax exempt**. If the vendor requests the tax-exempt number, it is printed on the Procurement Card. If the vendor requests a tax-exempt certificate, they can request it directly from Tena McNeal at (515) 993-4283. If taxes are charged, the Cardholder is responsible for contacting the vendor and requesting a credit. If the vendor will be issuing a credit transaction, state this on the receipt and check subsequent statements to be sure this credit has posted. **Always check the receipt before leaving the store.** If tax has been charged, the transaction will need to be canceled and reissued. Cash refunds are strictly prohibited. Keep both receipts for verification to attach to your statement. **Until all sales tax charged to your Procurement Card has been credited or personally reimbursed, your Procurement Card account may be placed on hold. When the credit receipt or the personal reimbursement has been received by the Procurement Card Administrator, your Procurement Card privileges will be reinstated.**
4. Clearly define your purchase requirements, determine availability, agree on a price (including shipping and handling costs) and order the item(s).
5. Give the vendor the Procurement Card number and expiration date, as well as your name, your school/department and complete delivery address.
6. Obtain a receipt. Detailed itemized receipts with specific costs for all purchases must be attached to the Procurement Card statement. An acceptable receipt must include the vendor name, date, dollar amount and description of items purchased.
7. Record the transaction on the monthly Procurement Card Transaction Log.

The following items, listed in priority order, will serve as a receipt.

- Invoice
- Register Receipt
- Web Page Print Out

When receiving a shipment, it is the Cardholder's responsibility to promptly inspect the shipment to ensure that the order is complete and that the items are in acceptable condition. Any visibly damaged goods should not be accepted. Suspected damaged goods should be noted on the bill of lading.

All packing slips and/or bills of lading should be retained as part of the purchase transaction documentation. The date items are received should all be recorded on the Procurement Card Transaction Log.

### **Internet Guidelines**

Cardholders must exercise discretion in selecting Internet vendors that are reputable in order to minimize the possibility of fraud. All guidelines apply to internet purchases. Do not give out your Procurement Card number online unless you have read and understand the vendor's privacy statement, disclaimer, warranty, terms and conditions. This will allow the Cardholder to understand the vendor's policies on purchases, deliveries, returns, etc. and provide an additional layer of protection for both the Cardholder and the District.

Prior to entering the Procurement Card number onto an Internet website, the Cardholder should ensure that the site is secure. To identify whether an Internet website supports secure transmissions, the URL identifying the current page will always begin with https:// ("s" stands for secure) in lieu of the normal http://, and a secure symbol (solid key or closed yellow lock) will be displayed on your Internet browser. The https and secure symbol may not appear until you are at the checkout screen. All relevant information should be printed from the ordering screens if available, recorded on the Procurement Card Transaction Log and handled in the same manner as telephone purchases.

An acceptable receipt and/or invoice for an internet purchase includes vendor name, date, dollar amount, description of item(s) and payment type. You may receive this receipt and/or invoice immediately following the submission of your order or it may be sent to you via e-mail at a later date.

- Example: AMAZON.com users will go to [www.amazon.com](http://www.amazon.com) and click to view their orders. Click "view order" next to the appropriate order. A button to print an invoice will appear on the next page.

Please be aware that not all vendors are the same. You may need to contact the vendor directly in order to obtain a complete receipt and/or invoice.

Order confirmations are not a guarantee of the final purchase and are NOT an acceptable receipt and/or invoice.

If you have placed an online order with a vendor and any of the following take place:

1. You do not receive the order within a reasonable amount of time after the promised delivery date (generally one week) and you are unable to contact the vendor.
2. The phone number on the website is no longer in service.
3. The vendor goes out of business.

Contact the Procurement Card Administrator or Assistant immediately to determine if cancellation of your Procurement Card is necessary. The Cardholder will receive assistance from the Procurement Card Administrator in processing the dispute. If your Procurement Card has been cancelled, contact the Procurement Card Administrator to obtain a replacement.

#### **How to: Handle Returns or Exchanges**

The Cardholder is responsible for managing any returns and exchanges directly with the vendor and for ensuring that the proper credit is received from the vendor for returned merchandise.

1. Cash refunds are strictly prohibited. Any credits or returns MUST be handled as a credit transaction on a subsequent statement. Contact the vendor directly and obtain instructions for returns and exchanges.
2. Return or exchange the item in person at the store or ship it.
3. Log the return or exchange on your Procurement Card Transaction Log. Include as much detail as possible.
4. Review future statements to ensure that your Procurement Card account is properly credited.
5. Credits must be reconciled the same as any charge in the month in which the credit was received. If an item was returned to the vendor, but the credit will be applied to the next billing

cycle, the item must be charged to the department for the current billing cycle. The charge should be applied back to this account number once the credit appears.

**How to: Handle Disputed Charges**

If there is a charge that is not recognized by the Cardholder or if it appears to be incorrect, the Cardholder must seek resolution with the vendor immediately. Common examples of disputes are: goods not received, damaged items, merchandise was returned, duplicate or incorrect charges. Please note the reason for the discrepancy on the receipt. If the problem cannot be resolved with the vendor, call the phone number on the back of the Procurement Card. The Cardholder Dispute Form must be completed and forward to the Procurement Card Administrator within 10 days. The Dispute Form will be sent to Harris Bank for review and temporary credit if needed. When Harris Bank has completed its investigation, the Cardholder will be informed of the resolution and any corrections that were made to their account.

**Procurement Card Security**

The Procurement Card is District property. Keep your Procurement Card in a secure location and guard the card number against use by unauthorized individuals in the same manner you would safeguard your personal credit card. The only person entitled to use a Procurement Card is the person whose name appears on the face of the card. Do not lend your card or give the number to another employee to use. If the Cardholder is expected to be absent for 30 days or more, please notify the Procurement Card Administrator. The card will be inactivated to safeguard the account.

**How To: Report a Lost or Stolen Card**

In the event of a lost or stolen card, the Cardholder must notify Harris Bank by calling 800-361-3361 immediately. The Procurement Card Administrator must also be notified. Harris Bank will immediately close the account, transfer account information to a new account number and issue a replacement card. A Procurement Card may also be replaced by calling the Procurement Card Administrator directly.

**Employee Leave of Absence, Transfers, Terminations and Retirements**

The Cardholder's supervisor must notify the Procurement Card Administrator in writing in the event a Cardholder takes a leave of absence for 30 days or more, transfers to another school/department, is terminated, or retires. In the event of a leave of absence, the card will be put on hold until the cardholder's return. It is the supervisor's responsibility to collect the Procurement Card from transferred, terminated and retired employees. Cut the card in half and forward to the Procurement Card Administrator.



**Adel DeSoto Minburn Community School District  
Individual Procurement Card Use Agreement**

WITNESSETH:

AGREEMENT made this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, between the Adel DeSoto Minburn Community School District, Dallas County, Iowa (hereinafter the "District"), and \_\_\_\_\_, residing at \_\_\_\_\_ (Hereinafter the "Employee").

**WHEREAS**, by this Agreement the Employee has been entrusted with a procurement credit card ("p-Card") for use in the purchase of goods and services solely and exclusively for the authorized business purposes of the District; and

**WHEREAS**, the Employee agrees to abide by the terms and conditions of the p-Card as herein, it is agreed by the District and the Employee as follows:

1. The employee hereby agrees to immediately return the p-Card to the District upon request.
2. The employee shall not use the p-Card for the purchase of any goods or service not authorized by the terms of this Agreement or by the direct written approval of the Business Manager or designated procurement card administrator. Any unauthorized or inappropriate use of the p-Card may result in disciplinary action, including termination.
3. Employee shall process a purchase order and submit receipts and such other reasonable documentation of goods or services purchased as requested by the p-Card Administrator.
4. Employee shall immediately notify the Bank of Montreal ("Bank") in the event of a possible loss, theft, or unauthorized use of the Card by notifying the Bank by phone at (800) 361-3361 or by fax notice to the Bank at (888) 224-5394. Employee shall also immediately notify the p-Card Administrator of possible loss, theft, or unauthorized use of the Card.
5. Attached herewith and incorporated by reference herein is a *Statement of Authority* of p-Card use that sets forth the authority and express limits of authority of Employee's use of the p-Card. Employee agrees to use the p-Card in accordance with and shall comply with the terms of the Procurement Card Program Manual.
6. Utilization of the p-Card must be within annual budget parameters and consistent with applicable Board policies and procedures.
7. The p-Card may not be utilized to circumvent State and District competitive bid laws and policies.
8. Any unauthorized charges will be paid by said employee by check, cash, or salary deduction.
9. I will surrender the card to the Procurement Card Administrator upon my transfer or separation from the District.
10. This Agreement may not be modified in anyway without the approval of the District.

**IN WITNESS WHEREOF**, the parties hereto have made and executed this Agreement the day and year first above written.

ADEL DESOTO MINBURN COMMUNITY SCHOOL DISTRICT

By:

\_\_\_\_\_  
Signature of Employee

\_\_\_\_\_  
Printed Name of Employee

**Statement of Authority**

**ADEL DESOTO MINBURN COMMUNITY SCHOOL DISTRICT**

Name \_\_\_\_\_

Position \_\_\_\_\_

Location \_\_\_\_\_

Credit/Charge Limit of \$\_\_\_\_\_ per month.

Credit/Charge Limit of \$\_\_\_\_\_ for year.

\_\_\_\_\_  
Employee Signature Date

\_\_\_\_\_  
Supervisor's Signature Date

**ADEL DESOTO MINBURN COMMUNITY SCHOOL DISTRICT**

**MISSING RECEIPT FORM**

*This form will be sent to the Cardholder if a receipt is missing. The Cardholder will be responsible to contact the vendor for a receipt. Cardholders may be responsible for payment of charges with missing receipts.*

Name: \_\_\_\_\_

Building: \_\_\_\_\_

P Card Statement Date: \_\_\_\_\_

PO #: \_\_\_\_\_

<b>Date of Charge</b>	<b>Amount</b>	<b>Vendor Name</b>	<b>Justification for Expense</b>

Please complete form, sign and send copy to Nancy Gee, Business Manager.

Cardholder Signature: \_\_\_\_\_

Administrator Signature: \_\_\_\_\_