INTRODUCTION

The Polk County Schools (P-Card) program is designed to provide an efficient, cost-effective method of purchasing approved goods and services for official organizational business. Cardholders are entrusted with organizational funds and are responsible for ensuring all transactions comply with policy and ethical standards.

The Procurement Card is a Commerce Bank Purchasing Card.

DEFINITIONS CONTINUED

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

***Budget Manager**:* the person who reviews and approves a cardholder's monthly statement of account

***Cardholder**: p*ersonnel 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 by 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

The cardholder will be required to complete the online P-Card Training and 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 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 the school's name or the department name embossed on the card.

PROCUREMENT CARD USES

The Procurement Card may be used for:

- A monthly spending limit of $2000 unless otherwise approved by the CFO. Prior to activating the P-Card for the new fiscal year, a blank purchase order must be in place.

PROCUREMENT CARD LIMITATIONS

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

- **Personal purchases**
- **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 payments**
- **Bouncy Houses**
- **Meal Catering**
- **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. Prior to use and at the beginning of each fiscal year, submit electronically to finance a requisition indicating the "Procurement Card Purchases." A purchase order will be issued to encumber funds based on the information provided.
    - Approved cardholder's 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 **<u>all</u>** purchases.

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. The signature of the Budget Manager is verifying the following:
    - ✓ Receipt of goods
    - ✓ That the Cardholder was authorized to make the purchase
    - ✓ That cardholder complied with all procedures
    - ✓ Funding is encumbered to cover expenses.

5. Forward to Finance Monthly Transaction Logs, supporting documents (receipts, sales slips, etc.) no later than four days after the monthly closing date (including holidays).

6. If documentation is not received by the due date, the P-card will be closed until further notice. **(No Exceptions!)**

7. Request the Director of Finance or Designee to cancel a Cardholder's Card (e.g. terminated employees, transferring departments, loss of Procurement Card privileges).

8. 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. Obtain the Budget Manager's approval prior to making a purchase.

4. Notify the Budget Manager when a purchase is made.

5. Adhere to the purchase limits and restrictions of the Procurement Card.

6. Reconcile all sales slips, register receipts, and/or Procurement Card slips to the Monthly Transaction Logs and the Commerce Bank Cardholder Statement. Commerce Bank Cardholder statement will be accessible online. If the receipt does not indicate quantity and description, provide information on a separate sheet attached to the receipt.

7. Hotel charges require a hotel receipt and workshop agenda.

8. Submit to Budget Manager, Monthly Transaction Logs, Commerce Statement, and supporting receipts for approval.

9. Attempt to resolve disputes or billing errors directly with the supplier. Always complete a dispute form, found on the back of the bank statement, and submit it to the address indicated on the 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.

10. 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.

11. Lost or Stolen Card

    - ✓ **Notify the Director of Finance and Budget Manager**

12. Return the Procurement Card to the Director of Finance upon terminating employment with Polk County Schools or transferring to another school/department within Polk County Schools.

13. 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!

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.

P-Card Cardholder Removal:

The P-Card Manager or CFO may recommend removal of P-Card privileges any time after the 3rd **Violation** for the remainder of the current fiscal year.

P-Card privileges will be suspended until the CFO names a new P-Card Coordinator.

VIOLATIONS

1st – Warning

2nd –Written Up

3rd – CFO will request P-Card privileges to be revoked

Violations & Suspensions

Any purchase of restricted or prohibited items will result in a P-Card Violation Warning and/or suspension of P-Card privileges. Serious infractions may result in termination and/or criminal prosecution.

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. **NO deliveries to home addresses**
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. **Polk 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 PCS 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 time 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.
3. If there are, problems with the order, missing items, duplicate items, damaged items, etc., contact the vendor directly to resolve the problem.

RECONCILIATION

Cardholder:

- Obtain online through Commerce 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 Commerce 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 Commerce 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 Finance four (4) days after the monthly closing date.