

## Procurement Card Program – Cardholder Guide and Agreement

### Overview

The district Procurement Card Program (“Program”) is intended to streamline and simplify district procurement and accounts payable functions. The Procurement Card (P-Card) is a tool for reducing transaction costs, facilitating the timely acquisition of materials and supplies, automating data flow for accounting purposes, and offering flexible controls to help ensure proper usage. It is designed as an alternative to a variety of processes including petty cash, check requests, and low dollar purchase orders. The Procurement Card is neither a substitute for public bidding nor the district’s existing procurement program. It may also not be used to split bids and avoid the statutorily mandated public bidding process. Rather, the Program is intended to complement existing processes. Similar to other forms of purchasing, the retention of receipts and other forms of support documentation is essential to ensure the successful use of the Procurement Card.

This Cardholder Guide 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 a variety of other Program information.

**Please remember that district funds are committed each time the procurement card is used.** The designated cardholder is responsible for all charges made to the card in his/her name. Intentional misuse or fraudulent abuse may result in disciplinary action up to and including dismissal.

The card will have no impact on a cardholder’s personal credit. Although the card lists an individual’s name, the card is actually issued to the district.

### Obtaining a Card

Only certain employees of the district are eligible to receive a Procurement Card. Contractors or temporary employees are not eligible. The designated cardholder is responsible for the security of the card and all transactions made against the card. Each cardholder will be required to sign a Procurement Card Cardholder Agreement as part of the Procurement Card (“P-Card”) application process.

Any staff member receiving a P-Card must sign the back of the card immediately and always keep it in a secure place. Although the card is issued in his/her name, it is the property of the district and can only be used for district purchases as defined in this guide.

## **Procurement Card Restrictions**

The Procurement Card can only be used to purchase items authorized by the adopted district budget. It may **not** be used for personal purchases; cash transactions such as money orders, ATM withdrawals, travelers checks or wire transfers; airline tickets or entertainment expenses.

Only with advance approval of an In-Service Request may the P-Card be used to pay for accommodations and meals for district-authorized business.

Charges must apply to business which will transpire in the fiscal year in which they are made, for example, supplies purchased with the P-Card must be received by June 30 of that year.

Based on the nature of his/her position and responsibilities, each cardholder will be assigned single and monthly transaction limits. Purchases may not be split into more than one transaction in order to avoid the single purchase limit. If a designated single transaction limit is set too low or if it needs to be raised temporarily, the cardholder submit a written request to the district business manager, explaining the need for the increase.

## **Card Usage**

It is intended that the individual to whom a P-Card is issued will be the primary user of the card. That person is responsible for the card and all charges made with the card. Another staff member may use that individual's P-Card only with the express written permission of the cardholder. This permission does not absolve the cardholder from responsibility for the card or any charges on the card.

## **Receipts Required**

Purchases, with necessary approval, are initiated using the P-Card. The designated cardholder is responsible for ensuring that purchases made on his/her card are within approved budgets.

The procurement card may be used at locations identified by the district office. Information about qualifying vendors can be found on the Procurement Card Information sheet.

1. It is required that a receipt be obtained at the time any purchase is made.
2. If an order is placed by telephone or mail, the person placing the order may request that a receipt be included with the goods when the product is shipped. This receipt will be the only original documentation. The cardholder name and MasterCard number must appear on the packing slip and external shipping label. The supplier will ask for the Procurement Card number, expiration date and the "ship to" address. It is important that the type of card (i.e., MasterCard) and cardholder name appear on the invoice. (Companies frequently used by the district already have the PHSD Accounts Payable Department address in their computer and will likely forward the invoice there. Accounts Payable can only forward the invoice to the cardholder if his/her name appears on the face of the invoice.)
3. If an order is placed online, e-mail confirmation of the order can be printed and submitted as proof of purchase once the purchase is completed.

## **Account Reconciliation**

Every week, the cardholder will be required to print a Statement of Account (from Bank of Montreal) identifying each transaction made against the Procurement Card during the billing cycle. The cardholder must then: 1) reconcile the statement to the Expense Record (see attached) and receipts for accuracy; 2) indicate on the Expense Record the account to which the charge should be posted; 3) sign the Statement and Expense Record; and 4) staple all receipts to the back of the Statement and forward the packet (i.e., Bank Statement, Expense Record and receipts) to the account payable specialist in the district office.

Accounts must be reconciled on Friday of each week and received in the district office no later than the following Monday.

If the district office receives the Bank Statement of Account before the cardholder receives an invoice, a copy of the packing list (to verify receipt of goods) or the catalog order form (to verify the purchase price) may be submitted as evidence of purchase.

## **Resolving Errors and Disputes**

In case of an error, the cardholder is responsible for contacting the supplier immediately to reach an agreement. If that is unsuccessful, the cardholder may request assistance from the district Accounts Payable Specialist at 541-736-0799. The cardholder will be asked to complete a Statement of Questioned Items form. The bank will flag the account pending an investigation. **All disputes must be submitted writing to the bank within 60 days of the statement date.**

## **Paying the Bill**

The Procurement Card is a corporate pay arrangement. The district office will pay account balances in full every week by wire transfer. Purchases will be charged directly to the general ledger account designated on documentation submitted weekly to the accounts payable specialist.

## **Lost or Stolen Cards**

Procurement Cards must be secured just as personal credit cards are secured. If a card is lost or stolen, the cardholder must immediately contact the bank using the toll free number on the back of the card and notify the district business manager at 541-736-0797.

## **Refusal of Card or Account**

To find out why a purchase was declined, the cardholder may call the customer service number on the back of the card. In most cases, either the vendor or the type of purchase was not permitted by the district. This information is not available to the vendor.

## **Changes in Status of Employment**

If there are changes in the status of the cardholder's employment with the district, that individual's P-Card must be returned to his/her supervisor or the district business manager immediately.

## **Procurement Card Audit Activity**

Procurement card activity is subject to random audits by the district office and/or the district auditing firm to help ensure adherence to the program's policies and procedures.

## **Merchants that Do Not Accept the Card**

Merchants are encouraged to become involved in the Procurement Card Program so that cards can be used most effectively, and may contact their local bank or financial institution to participate. For merchants that are unwilling or unable to participate in the Program, the cardholder will need to use alternative purchasing method.

**Procurement Card Cardholder Agreement**  
*Participating Employee Acknowledgement of Responsibilities*

By participating in the district Procurement Card Program as a cardholder, you assume responsibilities pertaining to the operation and administration of the Procurement Card Program. These responsibilities include but are not limited to the following:

1. The district Procurement Card (“Card”) must be used for district business expenditures only. The Procurement Card may only be used under the parameters and procedures established for the Procurement Card Program which are detailed in “The Procurement Card Cardholder Guide”. The district Procurement Card **may not** be used for personal purchases, entertainment purposes, travel expenses not approved in advance or cash transactions.
2. The district Procurement Card will be issued in your name. By accepting the Card, you assume responsibility for the Card and will be responsible for all charges made with the Card.
3. The district Procurement Card must be maintained with the highest level of security. If the Card is lost or stolen, or if you suspect the Card or account number has been compromised, you agree to immediately notify the bank and the district business manager, who is the district Procurement Card Program administrator.
4. All charges will be billed to and paid directly by the district. On a weekly basis, you agree to print and submit to the district office a statement listing all activity associated with the Card. This activity will include purchases and credits made during the reporting period. While you are not responsible for making payments, you are responsible for the verification and reconciliation of all account activity. If you do not follow the procedures, your card and cardholder privileges will be revoked.
5. Cardholder accounts are subject to periodic internal control review and audits designed to protect the interests of the district. By accepting the Card, you agree to comply with these reviews and audits.
6. Parameters and procedures related to the district Procurement Card Program may be updated or changed at any time. The district will promptly notify you of these changes.

You agree to surrender and cease use of the Card upon termination of employment. In addition, you must surrender and cease use of the Card if you transfer or relocate. You may also be asked to surrender the Card at any time deemed necessary by the district. Misuse or fraudulent use of the Card may result in disciplinary actions and may be grounds for dismissal.

By signing below, I acknowledge that I have read both the Procurement Card Cardholder Guide and the Cardholder Agreement and agree to the terms and conditions of these documents. I certify that as a participating Cardholder of the district Procurement Card Program, I understand and assume the responsibilities listed above.

Card Number Issued	Date Issued
Employee Signature	Title
Name (Print)	Date
Superintendent/Business Manager Signature	Title
Name (Print)	Date

**Pleasant Hill School District No. 1**

**PROCUREMENT CARD INFORMATION**

Name of Cardholder: \_\_\_\_\_

School and Location: \_\_\_\_\_

Dollar Limit per Transaction: \$ \_\_\_\_\_

Dollar Limit per Month: \$ \_\_\_\_\_

Authorized Vendors: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
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