

Washoe County School District Purchasing Card (pcard) Program Procedures Manual



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1.0 Purpose

The purpose of the purchasing card (pcard) program is to provide an efficient, cost-effective method of purchasing and paying for small dollar transactions within established usage limits. The District pcard should be used for purchases \$500 or less and may be used for purchases above that that comply with District purchasing guidelines.

2.0 Key Points

- 2.1 Referenced forms and associated documents are located on the District website under Staff, Forms.
- 2.2 This manual provides the guidelines under which you may use your pcard. Please read it carefully. Your signature on the Department Cardholder, Individual Cardholder or District Employee Agreement indicates that you understand the intent of the pcard and agree to adhere to the established guidelines for its use.
- 2.3 The school principal or department head is responsible for all cards assigned to their "unit".
- 2.4 Only District employees assigned to a unit may use that unit's card and only after signing a District Employee Agreement (AP-F012).
- 2.5 Pcards issued in the name of a school or department must be checked out on the Purchasing Card Log (AP-F014) for each purchase. Photocopying the card for distribution among employees is prohibited. The school principal, department head or a district employee, is directly responsible for each card at all times.
- 2.6 Statements are due in the business office every 4 weeks per the established schedule. The statement includes all receipts and supporting documents, and must be signed by the cardholder and approver. Signature stamps are not acceptable.
- 2.7 Each pcard has been assigned credit and transaction limits. Violation of established credit limits or purchasing guidelines may result in loss of cardholder privileges.
- 2.8 All budget account allocations and descriptions for pcard purchases must be completed online at <https://controlpayadvanced.com> by close of business each Thursday to allow for accurate import into BusinessPlus. Cardholder review and manager approval online indicate the transaction is complete and items have been received, and must be completed for available funds to be restored to the pcard.
- 2.9 When pcards have been issued in the name of a school or department the school principal or department head is the card "approver" and must appoint a designated employee to act as "cardholder" within the unit.
- 2.10 The school principal or department head may delegate the pcard approval duties to another administrator within the unit.

3.0 Definitions

- 3.1 **Approver:** The person responsible for overseeing the pcard program for their unit or subordinate staff.
- 3.2 **Cardholder/Reviewer:** An individual to whom a pcard has been issued, or the person in a

school/department who is responsible for maintaining security of the card and completing required cardholder duties.

- 3.3 **ControlPay Advanced:** Online program for reviewing, approving, reporting and tracking pcard transactions.
- 3.4 **Department Cardholder Agreement (AP-F011):** Form signed by a school principal or department head that acknowledges receipt of the pcard issued in the school/department name and the responsibilities for the proper care and use of the pcard.
- 3.5 **District Employee Agreement (AP-F012):** Form signed by any District employee assigned to a school or department with a pcard that allows the employee to use that unit's pcard and acknowledges the employee's responsibilities for the proper care and use of the pcard.
- 3.6 **Employee Cardholder Agreement (AP-F010):** Form signed by an individual that acknowledges receipt of the pcard and the cardholder's responsibilities for the proper care and use of the pcard.
- 3.7 **Merchant category code:** A code issued to a vendor when they enroll to accept credit cards. Each pcard is assigned to an MCC group containing codes that define the types of vendors that may be accessed by that pcard.
- 3.8 **Program administrator:** A member of the business and financial services office who is responsible for the coordination and administration of the Washoe County School District pcard program.

Contact the program administrator at 348-0264 or 348-0317

- to apply for a pcard,
- to replace damaged cards,
- to report a lost or stolen card,
- for questions about procedures and policies,
- for account inquiries, or
- for problems with or questions about ControlPay Advanced.

Contact Commerce Bank at 1-800-892-7104, option 1

- to report a lost or stolen card (in addition to contacting the Business and Financial Services Office), or
- for card inquiries after regular business hours.

- 3.9 **Purchasing card (pcard):** Visa card issued by Commerce Bank for making purchases and travel arrangements.
- 3.10 **Purchasing Card Enrollment Form (AP-F009):** Form used by the school principal or department head to request the issuance of a pcard. It provides all information needed to properly integrate the cardholder into the pcard system. It is completed and signed by the cardholder and the school principal or department head, and forwarded to the business office for processing.
- 3.11 **Purchasing Card Log (AP-F014):** A detailed record required to be used by a school/department for each pcard assigned to the unit (not an individual). The log tracks the date and time a District employee checks the card out; the location, purpose and amount of the purchase; and the date and time the card and receipts are turned in to the cardholder. Receipts and supporting documentation remain with the purchasing card log until the monthly statement is prepared at which time they are attached to the pcard statement. The purchasing card log is retained by the school/department for

five years after the end of the fiscal year to which it pertains. Copies of receipts and supporting documentation are not required to be kept at the site.

3.12 **Statement of Lost or Missing Receipts Form (AP-F013):** Form used to explain purchases less than \$100 when the original receipt is not available. Cardholders should make every effort to obtain a copy of the receipt prior to using this form. Excessive loss of receipts and use of this form may result in suspension or revocation of card privileges.

3.13 **Unit:** School or department

4.0 Program Procedures

4.1 Introduction

The pcard program has been implemented to provide rapid turnaround of low-dollar purchases and to reduce paperwork and handling costs. Using the pcard shortens the payment cycle and reduces costs compared to the purchase order/accounts payable processes. Pcard purchases may be made in person or by fax, internet, mail or telephone.

4.2 Requesting a pcard

4.2.1 Pcards may be issued to individuals, schools or departments based on the purchasing needs of that person or entity.

4.2.2 To request a pcard the individual, school or department completes the Cardholder Enrollment Form (AP-F009) available on the District website and forwards the completed and signed form to the business office.

4.2.3 The program administrator reviews the form, orders and receives the pcard from Commerce Bank, and coordinates pcard training with the cardholder and/or approver. Both cardholder and approver must complete pcard training before the pcard is released.

4.2.4 Cardholder or approver signs the appropriate cardholder agreement (AP-F010 or AP-F011) acknowledging receipt of the card. Cards not picked-up within 60 days of the date of issue will be cancelled and a new enrollment form will be required to obtain a new card.

4.2.5 Commerce Bank will automatically close pcards that are inactive for 1 year.

4.2.6 The program administrator will maintain all records of pcard requests, limits, school principal or site administrator transfers and lost/stolen/destroyed card information.

4.3 Authorized pcard use

4.3.1 A department pcard is issued in the school/department name and is signed for by the school principal or department head. Only District employees assigned to that location who have a signed District Employee Agreement (AP-F012) on file at that site are authorized to use the card. The school principal or department head is ultimately responsible for all use of the cards assigned to their unit.

4.3.2 Use of the pcard will comply with the following:

- a) The total value of a purchase will not exceed the authorized amount. **Any attempt to circumvent the card limits will cause revocation of the authorization to use the pcard. Such circumvention includes, but is not limited to: initiating multiple transactions to cover purchases in excess of the transaction limit or dating transactions to cover purchases in excess of the transaction limit.**
- b) The pcard may be used for instructional or work-related goods with budget appropriations within the cardholder's jurisdiction.
- c) All items purchased "over the counter" must be immediately available at the time of the pcard use. Processing charges for backordered items is prohibited.
- d) A signed Request for Leave (HR-F530) form must be completed before using the pcard for any travel related purchases such as conference registration, airfare, and hotel or rental car. A copy of the form must be attached to the receipts and submitted with each pcard statement containing travel purchases.
- e) The pcard may be used in person or via mail, telephone, fax or secure internet website.
- f) Student activity fund pcards must comply with the Student Activity Funds Policies and Procedures Manual and may not be unauthorized pcard uses in 4.4 below, with the exception of items 4.4.1 b), 4.4.1 g) and 4.4.1 j) which are allowed with student activity funds.

4.4 **Unauthorized pcard uses**

4.4.1 The pcard will not be used for the following:

- a) Personal purchases – Any person making personal purchases with a District pcard will be required to reimburse the District for all such purchases; card use privileges may be revoked; and disciplinary action up to and including termination may be taken against the employee making such purchases.
- b) Meals during travel.
- c) A single purchase that exceeds the authorized transaction amount.
- d) Cash advances.
- e) Equipment that requires a District asset id tag.
- f) Services requiring the use of AP-F006 Independent Contractor Agreement or AP-F008 Independent Contractor Agreement for Instruction Related Service Providers.
- g) Purchase of food and/or beverages except for use in home economics classes, as required for student programs, for purposes in compliance with AP-P006 Non-routine Expenses, or with prior, written approval of the chief financial officer.
- h) Construction services of any kind.

- i) Items stocked in the District warehouse.
- j) Purchase of gift cards or other items for staff or vendor appreciation or incentives.
- k) Alcohol or admission to events where alcohol is a prominent feature (ie Brew Ha Ha or A Taste of Reno).
- l) Sharing charges. All charges exclusive to an individual, school or department that has been issued a pcard should be placed on that person's/unit's pcard. This does not apply to departments making arrangements for and paying for a group of folks (ie Title I).

4.4.2 Suspension or revocation of pcard privileges may occur for:

- a) Use of the card for purposes listed in paragraph 4.4.1.
- b) Orders placed without physical possession of the pcard.
- c) Splitting transactions to circumvent the transaction limit.
- d) Three or more reports of lost or stolen card.
- e) Failing to follow procedures as noted in this manual.

4.4.3 Reinstating revoked pcard

Revoked pcards may be reinstated upon written approval from the chief financial officer and the superintendent.

4.4.4 Accounting audits

The business office will conduct random audits of transactions to determine if there has been any unauthorized use of a pcard. Additional information may be requested if any purchases or attempted use appear questionable; requested information should be provided timely to avoid any disruption in the use of the pcard.

4.5 **Purchases**

- 4.5.1 In addition to the requirements listed below, units may establish additional requirements for the use of the pcards assigned to their unit.
- 4.5.2 Procurement procedures permit a purchase of goods if their value is less than the pcard transaction limit (see 4.3.2.a). Changes to a transaction limit may be requested by the approver if the current limit is insufficient.
- 4.5.3 It is the card user's responsibility to use District contracted providers when available and to seek competitive prices within the parameters of quality and delivery for other purchases.
- 4.5.4 Once a designated merchant agrees to accept the Visa card, confirms that the goods are available, meets the specifications and delivery requirements, etc., District employees using a school/department pcard will take the following steps:

- a) Ensure a completed and signed District Employee Agreement (AP-F012) is on file at the site for the card user.
- b) Complete the "Employee Name," "Check Out Date/Time" and employee's initials on the Pcard Log.
- c) Inform the Merchant prior to ringing up items that the goods are **exempt from sales tax**. The District tax id number is printed on the pcard and a copy of the District's tax exempt letter is located on the District web site at http://www.washoe.k12.nv.us/docs/pdf/tax_exempt.pdf. If sales tax is charged to the pcard the cardholder is responsible for contacting the merchant for credit or remitting non-district funds to reimburse the District for the sales tax charged. Neither the program administrator nor our pcard provider bank will contact any merchant for the return of sales tax.
- d) If making a purchase in person, valid District identification may be required. The District employee using the pcard will retain the invoice and "customer copy" of the charge receipt. Prior to signing this slip, the District employee is responsible for making sure that the invoice, cash register receipt, etc., fully describes the item(s) and **excludes sales tax**.
- e) The pcard and supporting documentation should be returned to the cardholder as soon as possible after a purchase is made. Log the purchase information on the Purchasing Card Log (AP-F014) and place the invoice and credit card slip into a folder or envelop for later reconciling and attachment to the pcard statement. The last column on the Purchasing Card Log, STMT, should be completed as the information becomes available.

4.5.5 The bill to address for all pcards is:
 425 E Ninth Street
 Reno, NV 89512

The ship to address is where you want the items delivered and should include the cardholder's name and telephone number, and the physical address for delivery of goods.

4.5.6 Avoid placing an order just before school break periods to ensure someone is available to receive the order and perform the cardholder review.

4.5.7 Pcard limits

Every pcard has a weekly credit limit and a per transaction limit. If needed these limits can be changed by an email request from the card approver to the program administrator; a minimum 24 hour lead time is appreciated. The period for the increase should be included on all requests. Requests for credit limits above \$5,000 should include purchase details including vendor, items to be purchased, and cost. Requests for changes to grant funded cards must be approved by the grant fiscal administrator; requests for credit limits above \$10,000 must be approved by the purchasing supervisor and the chief financial officer.

4.5.8 Travel Expenses

Travel expenses include registration fees, airfare, hotel, rental cars, parking fees and transportation charges (taxi or shuttle) and require a pre-approved Leave Request Form (HR-

F530). The Leave Request Form should be included with each pcard statement that contains travel expenses.

Allowable airfare charges are the ticket cost and charges for one bag only (two bags for a trip longer than 7 nights). Booking agent fees, early-bird check in fees, in-flight wi-fi access, extra/overweight baggage fees, choice/premium or changed seating assignment fees, and fees for flight changes for personal convenience are the responsibility of the individual traveler and may not be charged on the District pcard. Airline tickets purchased with the pcard may not include any personal legs of travel.

Allowable hotel expenses are subject to applicable GSA rates and include the cost of the room and taxes. Any personal or incidental charges must be paid by the employee prior to check out with cash, check or personal credit card. Incidentals include but are not limited to: room service, mini-bar, telephone calls or movies. Any incidentals charged to the District pcard must be promptly reimbursed to the District. See Travel/Expense Claim Procedure (AP-P013) or contact the business office for allowable lodging rates.

Meals during travel may not be charged on the District pcard but should be claimed by the traveler using AP-F002 Travel/Expense Claim Form.

An employee who incurs charges for travel using District funds and fails to complete the travel or receive a refund or credit of all charges may be required to reimburse the District for the lost costs. The employee's supervisor will review the reason the employee did not complete the travel and make the determination whether the employee or the District will bear the lost costs.

4.5.9 Receipts

Regardless of the method used for obtaining goods, the District employee must obtain an itemized receipt for all pcard transactions, including meals. The itemized receipt must include the date, description of the items purchased, the quantity, item amount, shipping charges (if applicable) and total amount charged.

If the order is phoned, faxed or mailed, the employee should ensure an itemized receipt will be provided with the shipment or faxed/e-mailed to the employee. Internet orders should be printed after the order is completed and prior to exiting the website.

A copy of the charge slip that does not contain the itemized information is not a substitute for an actual invoice.

4.5.10 Lost receipts

Should a receipt be lost, the employee must attempt to obtain a duplicate copy from the vendor. If the employee is unsuccessful in securing a duplicate copy he/she will complete the Statement of Lost or Missing Receipt form (AP-F013), have the cardholder and approver sign the form, and attach the form to the pcard statement containing the charges. This form should not be used for purchases exceeding \$100.

4.5.11 Returned, damaged or unacceptable goods

If items purchased with the pcard are found to be unacceptable, incorrect, damaged,

defective, or not received, the cardholder or approver is responsible for obtaining credit, replacement or correction of the charge as soon as possible. The cardholder or approver should contact the merchant to explain the problem and inquire about the available remedy. Do not accept cash in lieu of a credit to the pcard. A discrepancy not resolved within 30-45 days becomes a dispute and the procedures outlined in paragraph 4.5.14 should be completed. Do not check the REV box in ControlPay Advanced until the issue is resolved.

4.5.12 Billing errors

Any erroneous transactions charged to a pcard should be treated as a dispute. The cardholder or administrator must first contact the vendor to obtain a credit. If the cardholder or administrator is unable to resolve the dispute, see dispute procedures in paragraph 4.5.14.

Erroneous transactions should be coded online and the subsequent credit posted to the same expense account.

4.5.13 Fraudulent charges

Fraudulent charges resulting from scams, hackers, phishing, or loss or theft of the pcard should be treated as a dispute. The cardholder or approver must immediately contact the program administrator to close the card. The program administrator will review other current card activity with the cardholder and contact Commerce Bank about fraudulent charges, cancelling the card and requesting a new card. Weekly review of pcard charges will ensure proper credits and minimize loss.

4.5.14 Disputes

Disputed charges that cannot be resolved directly with a merchant should be disputed through Commerce Bank. This is done by completing the online dispute form available in ControlPay Advanced, transaction maintenance. The form must be completed within 60 days of the transaction date or further redress is not available.

4.5.15 Transaction fees

As of Jan 27, 2013 vendors are allowed to add a surcharge to all or some credit card transactions they process. When this occurs the cardholder should determine if another vendor will provide the same product at a total cost less than the vendor adding the surcharge, or if not, check with the program administrator prior to making the purchase on the cost effectiveness of paying the fee versus entering a purchase order.

4.5.16 International service fees

International service fees are charges by Visa on purchases from vendors outside the United States. The rate is typically 1 – 2 percent of the total purchase amount.

4.6 **School/department record keeping**

The purchasing card log (AP-F014) is required for use by schools or departments for cards issued to an entity rather than an individual. It tracks cards that are issued to and returned from employees assigned to that school/department and the transactions made by them.

Whenever a pcard purchase is made the purchase will be recorded on the purchasing card log. The original documentation will be retained at the school/department and be used to verify the purchases listed on the monthly pcard statement. After verification of the pcard statement the original receipts are attached to the statement and sent to the business office.

Purchasing card logs are to be retained at the site and available for internal audits for a period of **five years** from the last day of the fiscal year during which the purchases were made. Copies of the supporting documentation are not required to be kept at the site with the log as the official documents are stored by the business office.

4.7 **Security**

Individual username and password should be properly safeguarded to prevent unauthorized use.

The cardholder or approver is responsible for safeguarding the pcard and the card number to the same degree that a reasonable person would safeguard their own personal credit information. Pcards issued to a school or department should be kept in the unit's safe or other secure location when not in use.

School/Departmental cards may be used only by individuals assigned to their unit who have a completed and signed District Employee Agreement (AP-F012) on file at the site. Pcards should not be photocopied and distributed among employees. Do not send pcard numbers, expiration date, security number or cardholder name via e-mail; this is not a secure means of transmission. A violation of this trust may result in the cancellation of cards and possible disciplinary action.

4.8 **Lost/Stolen pcard**

If the card is lost or stolen the cardholder or approver will immediately notify the bank at 1-800-892-7104, option 1, 24 hours a day; and the program administrator at 348-0264 or 348-0317 during normal working hours.

A new card will be issued to the cardholder after the card is reported lost or stolen. A card that is subsequently found by the cardholder or approver after being reported lost or stolen will be cut in half and returned to the pcard program administrator.

4.9 **Cardholder or approver transfer or separation**

Prior to separation from the District or transfer to a different unit within the District, the cardholder or approver will surrender all pcards assigned to that individual/unit to the program administrator unless 4.9.1 applies.

4.9.1 School/Department pcards will remain at the unit location if the incoming principal/approver has signed a Department Cardholder Agreement (AP-F011) prior to the change in personnel and the agreement has been received by the program administrator.

All cardholder and approver changes must be reported to the program administrator.

4.10 **Cardholder responsibilities**

4.10.1 Review transactions posted to ControlPay Advanced weekly by close of business Thursday.

- a) Add note describing the transaction such as the traveler's name and purpose, location and dates of travel for all travel charges; or the top 3 – 4 supply items or book titles purchased.
- b) Allocate the charges to the appropriate BusinessPlus account code(s).
- c) Add a check mark to the REV box if the transaction is complete and product has been received.

4.10.2 Submit the pcard statement every 4 weeks per the published schedule.

- a) Print the standard report from ControlPay Advanced.
- b) Review the report for accuracy and verify each transaction with the purchasing card log (schools and departments) and receipts.
- c) Attach the invoice/receipt for each transaction listed on the pcard statement. Include a copy of the Request for Leave for each traveler with charges on the statement.
- d) Sign the statement (no signature stamps accepted) and submit with receipts to approver for review.

4.10.3 Contact the vendor to resolve any billing discrepancies.

4.10.4 Maintain card security.

4.11 **Approver responsibilities**

- a) Review all purchases online weekly to ensure that they are for District instructional or work related use and the budget coding is correct.
- b) Verify each purchase on the monthly statement against the invoices and sign the statement after it has been reviewed. Signature stamps are not accepted. By signing the statement the approver is certifying that all items purchased with the card on that report are authorized expenditures.
- c) Any person with knowledge of suspected or actual unauthorized use of the pcard shall report that information to the business office and to human resources no later than 10 calendar days after learning of the suspected or unauthorized use.

4.12 **Expense accounts**

All purchases posted to ControlPay Advanced are pre-coded with the default account code established when the card is issued. The cardholder should change the account code to another authorized account if appropriate for each purchase.

The pcard billing cycle is Wednesday through Tuesday each week. A file of purchases posted during that time frame is created Thursday night each week so the cardholder should ensure the account codes are correct by close of business Thursday. The file of purchases is uploaded to BusinessPlus each week to provide the units with up to date information on expenditures and budget availability.

Units needing to change the account codes for uploaded purchases must submit a Budget Transfer request (BUD-F501) to the business office to effect the change.

4.13 **Year-end posting**

Pcards may be used without interruption through the end of the fiscal year provided the user has available funds. Purchases with a transaction date (the date the vendor runs the charge) of Jun 30 and prior will be posted to the fiscal year ended Jun 30; purchases with a transaction date of 7/1 or later will be posted to the subsequent fiscal year.