

WALLA WALLA SCHOOL DISTRICT

PROCUREMENT CARD PROGRAM

GUIDELINES

08/01/11

**WALLA WALLA SCHOOL DISTRICT
PROCUREMENT CARD PROGRAM GUIDELINES**

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BOARD POLICY

Policy No. 6212

CREDIT CARDS AND PROCUREMENT CARDS

The district issues credit cards to be used for the purchase of fuel for busses, vans, and trucks when the vehicle is being used for district authorized travel or business. The superintendent or his/her designee is responsible for the authorization and control of the use of credit cards, subject to final board approval of payments.

The superintendent shall establish guidelines for the issuance and use of such credit cards.

The Board of Directors of Walla Walla Public Schools authorizes the use of Procurement Cards, which are a bank credit card account for individual use in making appropriate purchases and arranging travel. The Business Office is authorized to establish and maintain a Procurement Card program.

With supervisor approval, Procurement Cards may be issued to any employee of the district. All users of the Procurement Card will sign a User Agreement and will be responsible for all charges made on the account. The Procurement Card may be used only to make approved purchases which do not exceed the card's authorized dollar limitations.

Individual Procurement Card privileges will be revoked for any unauthorized use or abuse.

Cross References: Board Policy 6213
Legal References: RCW 43.09.2855
RCW 42.24.115

Reimbursement for Travel Expenses
Local governments--Use of credit cards
Municipal corporations and political subdivisions –
Charge cards for officers' and employees' travel expenses

**Adopted by the Board: July 16, 2002
Revised: December 15, 2009**

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INTRODUCTION

Welcome to Walla Walla School District's Procurement Card Program. The District Procurement Card Program is contracted through the Bank of Montreal and sponsored by the Washington Association of School Business Officials.

The success of the Procurement Card Program and its continuing use depends on your participation and cooperation. Because of the flexibility of the card, extra diligence in use of the card is required. Please be sure to read and follow the program guidelines as specified within this manual.

What is the Procurement Card?

The Procurement Card is a MasterCard Procurement Card issued by the Bank of Montreal, to be used only for official purchases. It is a fast, flexible purchasing tool which provides an extremely efficient and effective method for purchasing items. The MasterCard Procurement Card will enable you to make purchases by telephone, internet, or in person, directly from the vendors.

The Procurement Card program brings many benefits to...

Card Users - You will be able to obtain supplies directly from your vendors. This streamlines the purchasing process and can help improve turnaround time on receipt of your order. It significantly reduces the workload and processing costs related to the purchase and payment of supplies.

The Walla Walla School District - The Procurement Card Program provides a cost-efficient, alternative method for purchasing supplies. Built-in card features make the program easy to control and manage and reduces processing costs at all levels by reducing the number of requisitions, purchase orders, invoices and checks. The Procurement Card enables buildings/departments to focus on higher value added activities.

Vendors - The Procurement Card will be welcomed by vendors who accept MasterCard. When they accept the card for business purchases, vendors need not send invoices to the District, and they will receive payment directly from Bank of Montreal within 48 hours.

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CARDHOLDER ELIGIBILITY

The criteria to use a Procurement Card are as follows:

- Applicant must be an employee of the district.
- Applicant's request to use the Procurement Card must be approved by his/her Principal/Supervisor.
- Employee must attend a training session before he/she may use a Procurement Card.
- Each individual card user must sign a Procurement Card User Agreement.

CARD USER RESPONSIBILITIES

The Card User must use the Procurement Card for legitimate business purposes only. The Procurement Card **may not be used for entertainment, cash and other categories that may be prohibited purchases by the Walla Walla School District.** Misuse of the card will subject Card User to disciplinary action in accordance with the District's Policies and Procedures relating to disciplinary action and termination for cause AND will lose card privileges. The Card User must:

- Ensure the Procurement Card is used for legitimate business purposes only.
- Understand and adhere to the Walla Walla Public Schools Accounts Payable/Purchasing/Reimbursement Guidelines and Travel Planning Guidelines.
- Maintain the Procurement Card in a secure location at all times.
- Not allow other individuals to use the Procurement Card.
- Adhere to the purchase limits and restrictions of the Procurement Card.
- Obtain and submit all sales slips, register receipts, and/or Procurement Card slips along with a Procurement Card Transaction Summary, to the P-Card Administrator prior to monthly Accounts Payable cutoff.
- Ensure that an appropriate credit slip for a returned item is obtained.
- **Not accept cash in lieu of a credit** to the Procurement Card account.
- **NOT ACCEPT STORE CREDITS.**
- Immediately notify BMO/Harris Bank at 800-263-2263 and the P-Card Administrator at 509-526-6718 of a lost or stolen Procurement Card.
- Return the Procurement Card to the P-Card Administrator upon termination of employment with the district or upon transferring departments within the District.
- Report erroneous transactions to the P-Card Administrator.

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1. Requirements for Using a Procurement Card

Before being given authority to use a Procurement Card, you are required to sign a Walla Walla School District Procurement Card User Agreement. By signing this agreement, you indicate that you understand the intent of the program, and will comply with all Procurement Card Guidelines as well as Walla Walla School District Policies and Procedures relating to the expenditure of district funds.

2. Procurement Card Maintenance and Closure

All contact with Bank of Montreal for card set up, maintenance and closure (except for reporting lost or stolen cards) will be handled by the P-Card Administrator.

The Business Office P-Card Administrator is required to close an account if a Card User:

(a) transfers to a different department, (b) moves to a new job in which a Procurement Card is not required, (c) terminates employment, or (d) for any of the following reasons which will also subject Cardholder to disciplinary action in accordance with District Policies and Procedures relating to disciplinary action and termination for cause:

- The Procurement Card is used for personal or unauthorized purposes.
- The Procurement Card is used to purchase alcoholic beverages or any substance, material, or service which violates policy, law or regulation pertaining to the Walla Walla School District.
- The Card User allows the card to be used by others.
- The Card User splits a purchase to circumvent the limitations of the Procurement Card.
- The Card User uses another Card User's card to circumvent the purchase limit assigned to either Card User or the limitations of the Procurement Card.
- The Card User fails to provide the Business Office with required itemized receipts.
- The Card User fails to provide, when requested, information about any specific purchase.
- The Card User does not adhere to all of the Procurement Card policies and procedures.

A request for closing a Cardholder account will be submitted to Bank of Montreal by the Business Office P-Card Administrator. **The plastic card for the Procurement Card account being closed must be returned to the P-Card Administrator immediately.**

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3. Procurement Card Use

The card works just like your personal credit card, except all charges are paid in full by the Walla Walla School District. District spending parameters for each Procurement Card issued will be set as established between the Principal/Supervisor and the Business Office. The District will adjust limits as determined by demonstrated need.

The following are inappropriate Procurement Card purchases:

- Cash Advances
- Meals (while in travel status)
- Cell Phones/Pagers (without prior approval from the Business Office)
- Contracts
- Room Service/Food Charges
- Capital Equipment (without prior approval)
- Entertainment
- Personal Services Agreements
- Salaries/Wages/Benefits
- Gifts/Donations
- Gift Certificates/Cards
- Curriculum Materials (without prior Curriculum Department approval)
- Technology Capital Equipment (without prior approval from the Technology Department, to assure compatibility with existing district systems and the ability of the district to provide technical support)

If you are in doubt whether a purchase is acceptable, **don't make it!**

4. Procurement Card/Account Number Security and Storage

The card should be maintained in a secure location and the card account number should be carefully guarded. The only person entitled to use the card is the P-Card Custodian. The card may not be lent to another person for any reason.

5. Cardholder Liability

The Procurement Card is a District charge card and will not affect your personal credit. It is your responsibility to ensure that the card is used within stated guidelines of this Manual. Failure to comply with program guidelines may result in permanent revocation of card use, notification of the situation to management, and disciplinary action in accordance with Walla Walla School District Policies and Procedures relating to disciplinary action and termination for cause.

6. Lost, Misplaced or Stolen Procurement Cards

Report any lost or stolen Procurement Card immediately to BMO/Harris Bank at 800-263-2263 and the P-Card Administrator at 509-526-6718.

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7. Completing a Procurement Card Transaction

Follow these general guidelines when using your card or account number to make a purchase. (When using your card for lodging and transportation expenses, please first refer to the Walla Walla School District Travel Planning Guidelines, which are included with the Travel Expense Voucher form (located on the Business Office webpage):

1. Determine if the intended purchase is within spending and vendor guidelines. If NO, process the transaction via a purchase order.
2. If YES, obtain approval from your immediate supervisor or department manager PRIOR to making the purchase, include any supporting documentation (e.g., list of parts, copy of catalog page, subscription order form, requisition form, etc.).
3. For face-to-face transactions, provide the vendor with your Procurement Card plastic; for internet or telephone orders give the vendor your account number and expiration date. Do not provide your card number via fax.
4. Obtain a copy of the **itemized** charge slip, sales receipt and/or packing slips for reconciliation to the Bank of Montreal Cardholder statement.
5. If order is by telephone or internet, obtain an itemized receipt. If the item is through a phone order, you must be able to secure an itemized receipt from the vendor the same day as the transaction. If the vendor cannot guarantee these criteria, you cannot complete the transaction.
6. Obtain confirmation, and document on the paperwork, that the item(s) has been received.
7. The vendor is paid immediately by means of the credit card.
8. Keep all P-Card receipts in the front pocket of the P-Card binder provided when you received P-Card training.

Note:

- KNOW YOUR VENDOR whenever possible.
- **Never fax a copy of your p-card or your p-card number.**
- Internet orders require an itemized receipt. Make sure you can print a receipt when your order is complete.

8. Supporting Documentation

Retaining transaction documentation is critical for the reconciliation process and audit requirements of the District. Receipts, order confirmations, online order reference numbers, work orders, etc., must be retained for each transaction. **EACH TRANSACTION MUST HAVE SOME TYPE OF SUPPORTING DOCUMENTATION - NO EXCEPTIONS.** Failure to provide adequate support documentation is grounds for immediate loss of the Procurement Card.

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9. Itemized Receipts

ITEMIZED RECEIPTS ARE REQUIRED FOR ALL TRANSACTIONS. You may receive two receipts for a single transaction. Below is an example of a transaction with two receipts. The first is an itemized receipt that lists the purchase of a Stapler and a Bic Pen. The second receipt in the example only shows the total. The second receipt is not itemized and is not an acceptable form of documentation. If you are not sure which receipt to remit, please remit both receipts. **MAKE SURE YOU HAVE AN ITEMIZED RECEIPT BEFORE YOU LEAVE THE STORE. IF YOU DID NOT RECEIVE AN ITEMIZED RECEIPT UPON PAYMENT YOU WILL NEED TO ASK FOR ONE.**

Itemized (required):

STAPLES OFFICE SUPPLIES	
Liberty Plaza	#98776
Yakima WA 98901	
1 Stapler	11.99
1 Bic Pen	1.29
SUBTOTAL	13.28
Sales Tax	1.05
TOTAL	14.33
Credit Card	14.33
Change Due	.00
00488 02 55 75576666M	
03/15/07	08:10PM
Thank You	

Non-Itemized (not acceptable)

STAPLES OFFICE SUPPLIES	
Liberty Plaza	#98776
Yakima WA 98901	
Date:	Mar15'07 08:10PM
Card Type:	Visa/M.C.
Acct #:	xxxx xxxx xxxx 4578
Exp Date:	11/10
Auth Code:	056454
Check:	2910
John Doe	
Walla Walla School District	
TOTAL:	14.33
<hr/> <i>John Doe</i>	
Signature	

10. Emergency Transactions

Emergency transactions over the set limits may NOT be handled with the Procurement Card. For any transaction which does not meet the spending controls assigned to the card, the Cardholder must contact the Business Office P-Card Administrator for assistance. **School/department administrators do not have the authority to make exceptions.**

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11. Procurement Card Reconciliation

P-Card statements are processed by the Bank of Montreal on the 20th of each month. Credit limits renew on the 21st of the month. The P-Card Administrator will send an Account Statement to cardholders on the first business day after the 21st of the month.

Cardholders must:

1. Review the transactions listed on the statement and verify with checkmarks next to each transaction, that they match the records of the purchases made with the card.
2. Have an itemized/detailed receipt that matches each amount on the Account Statement.
3. Complete a P-Card Transaction Summary Form (located on the Business Office webpage) for any new purchases listed. Please use the electronic form rather than a handwritten form.
4. List each Account Statement transaction amount on the P-Card Transaction Summary Form.
5. Immediately notify the P-Card Administrator if there are any discrepancies.
6. Return the completed P-Card Transaction Summary Form and original itemized receipts to the P-Card Administrator prior to the Accounts Payable cutoff date.
 - * Small receipts that are not a full 8½ x 11 (i.e., Safeway store receipt) should be attached to a blank piece of paper. Multiple small receipts may be attached to one piece of paper.
 - * Hotel charges to p-cards must follow the district's Travel Planning Guidelines. This includes when staying at a conference hotel (when the hotel rate is generally more than the per diem limit), please include a copy of the conference brochure with the receipt. Travel Planning Guidelines and lodging rates for Washington and other states may be found on the Business Office website under the Travel section.
7. Keep the Account Statement in your P-Card binder for audit purposes (note that the account number is included on the statement, therefore keep it in a secured location).

12. Erroneous Declines

There may be certain situations when a vendor receives a decline message when processing your Procurement Card transaction. If you do not know the reason for the decline, contact the P-Card Administrator at 509-526-6718 for assistance (reasons may include card not being activated by cardholder or credit limit has been exceeded). If the purchase is being made outside of normal business hours, the employee must terminate the purchase and contact the P-Card Administrator during normal hours.

13. Control Mechanism within the Procurement Card System

The Procurement Card is a special type of charge card. Cardholder limitations have been coded in the card to control its use in the following ways:

- Total spending limit per month per cardholder (noted on individual P-Card Agreements)
- The type of supplier/merchants allowed, as defined by merchant category codes (no cash advances)

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14. Returns/Credits

If a purchased item needs to be returned for any reason, make arrangements with the supplier/vendor to have the item shipped/delivered to the vendor's place of business or warehouse. Most vendors will issue a RMA# (Return Merchandise Authorization number) which you should note on your documentation. Some vendors will issue a UPS call tag for the item(s). Keep a copy of any shipping documents used for returning merchandise. These documents should be attached and submitted with your P-Card Transaction Summary.

The vendor should issue a credit to your card account for any item they have agreed to accept for return. This credit will appear on a subsequent statement. **Under no circumstances should you accept store credit or cash in lieu of a credit to the Procurement Card account.**

15. Disputes & Billing Errors

You should always attempt to resolve any disputes or billing errors directly with the vendor. In most cases, the vendor will issue a credit to the card account. If an agreement cannot be reached with the vendor, you should contact the Business Office P-Card Administrator at 509-526-6718 and provide a reason for the dispute. The P-Card Administrator will file a Dispute Form with Bank of Montreal.

16. Sales and Use Tax

Purchases From Vendors Located In Washington State - The vendor is responsible for collecting retail sales tax at the point of sale. The amount of sales tax should be indicated on the receipt provided by the vendor.

Purchases From Vendors Located Outside Washington State - Should no tax be charged or the amount of tax charged be less than the amount required by the State of Washington, it will be collected by the Accounts Payable Department. **Walla Walla School District is not a tax exempt entity** and must submit any taxes owed directly to the Washington State Department of Revenue.

17. Customer Service

The Walla Walla School District Procurement Card program is administered by the Business Office. All questions or issues should be directed to the Business Office P-Card Administrator at 509-526-6718.

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PROCUREMENT CARD Q&A'S

How do I request a Procurement Card?

1. Complete a Procurement Card Application & User Agreement.
2. Submit the form to the P-Card Administrator.
3. Once your card has arrived, the P-Card Administrator will provide training to the card custodian.

How do I make a Procurement Card purchase?

See page 6 of the Walla Walla School District Procurement Card Program Guidelines for detailed instructions.

How do I increase my spending limit?

Have the P-Card Building/Department Supervisor send an e-mail to the P-Card Administrator, requesting an increase in the spending limit. The P-Card Administrator will notify you when the change has been approved (usually within one business day).

How do I make a hotel reservation for someone other than myself, and provide my procurement card for payment?

1. Contact the hotel and provide them with the confirmation number for the hotel stay.
*Don't allow the hotel to charge for the entire stay up front. If required by the hotel, one night's stay as a deposit is ok. The remaining nights are to be charged to the P-Card upon checkout.
2. Give them your P-Card number and ask for a Credit Card Authorization form.
3. Complete the form, indicating the only charges allowed are **room and tax**.
4. Make a copy (front and back) of your P-Card.
5. Make a copy of your school district ID badge.
6. Put all three (credit card authorization form, copy of p-card, and id badge) in a sealed envelope.
7. Make a note on the outside of the envelope telling the staff member to provide the sealed envelope to the hotel upon check-in.
8. Notify the staff member that they must obtain a receipt upon checkout, and to give you that receipt when they return.

May I use my Procurement Card to pay for staff meeting meals?

Yes. The meal costs may not exceed the per person per diem rate. For example, if the lunch per diem rate is \$14, then the lunch costs for a staff of five may not exceed \$70, including gratuity. At least one other staff member must initial the bill.