

Taylor County School District

Procurement Card (P-Card)

Procedures Manual

Board Approved June 2015

Revised Pending Board Policy Revision June 16, 2015

Table of Contents

Introduction	2
Definitions	3
Responsibilities	4
Process Overview	6
Card Features	6
Card Issuance.....	6
Type of Cards	7
Requesting a Change in Card Limit.....	8
Card Usage	8
Before the Purchase	8
Making the Purchase	10
After the Purchase.....	10
Conclusion	13
Card Approver/Holder/Manager Agreement.....	14

Introduction

The School Board of Taylor County has revised Board Policy 9.70 to authorize the use of procurement cards (P-Cards) to provide an alternative approach for procuring goods and services by authorized agents of the district. The approval of the provisions herein serves as a directive to improve the efficiency and effectiveness of and simplify the accounting of purchasing activities of the district. This manual will establish the guidelines necessary to ensure adherence to purchasing policies of the Board and to State law while empowering school and department employees to make purchases through a P-Card program. Specific objectives are as follows:

- Expedite the purchase of needed goods and services above and below the threshold of Board policy requiring quotes.
- Reduce the inefficient flow of paper documents between schools/departments and the Accounts Payable section of the Finance Department.

- Streamline the payment of goods and services through a monthly settlement of the entire P-Card account resulting in a reduction of checks issued and reconciled to the revolving clearing account.
- Provide more convenient monthly reports for school/department management of purchasing activities.
- Provide flexibility to schools/departments to obtain goods and supplies from various vendors through the acceptance of P-Card payments.
- Improve the work flow for the Accounts Payable section of the Finance Department and reduce the time-consuming issuances of manual checks and emergency purchase orders.

Definitions

1. *Bank* - The financial institution, which has entered into an agreement with the Board to provide the P-Card (Elan Financial Services).
2. *Billing Cycle* - The monthly billing period that begins on a set date of each month and ends on the same date the following month.
3. *Capital Equipment* - Assets with a cost of \$750 or more per item and having a useful life of one year or more, including but not limited to furniture, equipment, vehicles, computer hardware, and software.
4. *Cardholder* – Specific classified personnel issued a P-Card in their name for daily minimal purchases required to perform the duties of the classified position.
5. *Card Approver/Manager/Holder Agreement Form* – The terms and conditions of the P-Card issued that define its use, restrictions, and establishes the responsibilities of the card holder or card approver.
6. *Card User* – an employee authorized by the School Principal to use the School Purchasing Card to make purchases. A Card User is not a Card Manager/ Card Holder.
7. *Merchant Category Code (MCC) Limit* - A method to restrict spending to allowable goods and services as identified by the District. All merchants are assigned an industry-specific MCC code that best identifies the business conducted by the merchant. Once an MCC code is blocked, attempted purchases from all merchants within that category will be declined.

8. *Monthly Limit* - The maximum dollar value of all transaction charges a Cardholder/Card Approver is authorized to make during the billing cycle.
9. *Principal/Cost Center Administrator (Card Approver)* – The school Principal or Department Head/Administrator responsible for the cost center budget. Also, referred to as the Card Approver.
10. *Elan Access Online Transaction Management (TMS)* - A web-based software system that will, among other things, be used by the cardholder for the purpose of recording the details of purchases and credits made using the purchasing card.
11. *Card Manager (Bookkeeper, Secretary)* - Employee(s) designated by the Principal/Cost Center Administrator to be responsible for the reconciliation, documentation, and operation of the Access Online Transaction Management system, and coding of P-Card transactions. The Card Manager will also oversee purchasing card use at their site.
12. *Single Transaction Limit* - The maximum value of charges a Cardholder is authorized to make during a single transaction.

Responsibilities

Superintendent/Chief Financial Officer

Board Policy 9.70 authorizes the Superintendent to designate approval authority to a designee. For procurement card activities, the Superintendent is designating such authority to Department Administrators and Principals (also referred to as Card Approvers) for their respective budgets. Further, the Superintendent authorizes the Chief Financial Officer to establish and change credit limits (per transaction and per monthly cycle) as needed for each card issued.

District Procurement Card Administrator

This responsibility will be assigned by the Chief Financial Officer to an employee within the Finance Department. If this employee is absent, then the Chief Financial Officer will serve as a backup to this employee on performing the following duties:

- Issuance of purchasing cards

- Establish the card profile including credit limits and the types of vendors and merchandise authorized to be purchased by identifying the MCC codes allowed.
- Provide daily support to all Card Approvers, Card Managers, and Card Holders. This includes resolving any technical problems by contacting Elan officials.
- Provides temporary changes in credit limits as requested by Card Approvers and after obtaining the approval of the Chief Financial Officer.
- Adjusts MCC groups and codes by emailing requested updates to Elan officials.

Card Approver

Principals and Department Administrators are the primary holders of P-Cards and are referred to in this manual as Card Approver. Their responsibilities regarding P-Cards are as follows:

- Attend a P-Card training session and sign the P-Card User Agreement form.
- Approving all purchase requests with assigned P-Card. At a minimum this will include signing either TCSB 14/15-15 P- Card Authorization Form for the desired purchase.
- Requesting changes to credit limits.
- Requesting the issuance or cancellation of a P-Card.
- Assigning the Card Manager responsibilities to appropriate personnel.
- Completing the annual State of Florida Statement of Financial Interests Form 1 and forwarding a copy to the Finance Department and the original to the Card Approver's county of residence's Clerk of Court.
- Ensuring that sufficient budget is available at the project level prior to approving the purchase.
- Report lost, stolen, or compromised cards to the District Procurement Card Administrator.
- Report discrepancies to a vendor.
- Identify and process discrepancy charges.

Card Manager

Typically this responsibility is assigned to the school's bookkeeper or department's secretary. This individual will be responsible for the physical safekeeping of the P-Card, entering the required information into the Elan Access Online Transaction

Management System, and checking out/in the P-Card to a Card User. This employee will be required to attend a P-Card Training Session.

Card Holder

Additional P-Cards are restricted to designated personnel that perform daily activities that frequently involves initiating transactions for minor purchases. Such positions include maintenance workers, bus garage supervisor, and operation foreman. This employee will be required to attend a P-Card Training Session.

Accounts Payable Approver

Employees of the Accounts Payable section in the Finance Department who will make the final approval of all transactions purchased through the P-Card process. Daily, their final approval of individual transaction will result in a nightly batch upload of approved transaction from the Elan Access Online Transaction Management System by Elan personnel to our TERMS accounting system.

Process Overview

Card Features

The P-Card is a Visa credit card with additional features that provide additional security when used for expending public funds:

- Limits the amount of individual purchases
- Limits overall monthly spending
- Tracks monthly and annual spending
- Embedded chip with a required PIN number
- Limits the type of purchases based on the Merchant Category Codes (MCC) assigned to the card

Card Issuance

The District Procurement Card Administrator (DPCA) will issue P-Cards to eligible employees identified in Section III, Responsibilities. Prior to the issuance of a P-Card, the DPCA will ensure that the employee completes a P-Card Approver/Manager/Holder Agreement form, is issued a copy of the P-Card Procedures Manual, and attends a training session established for the P-Card program.

Types of Cards

For the purpose of distinguishing the different procedures for cards maintained by employees, the following are classification of P-Cards and their usability and limitations:

- Type I P-Card: Such cards are issued to principals in the name of the school for daily purchases of goods and services. Staff as authorized by the principal may use this card during business hours. The normal single transaction limit is \$2,999.99. Higher limits are only allowed once the District Procurement Card Administrator (DPCA) approves a one-time increase. See section 5.5 *Purchases of \$3,000 or greater* below under **Card Usage, Required Before Purchase** on.
- Type II P-Card: One card will be issued to the Finance Department in the district's name for the payment of certain recurring charges, including utilities, monthly copier lease payments, and other vendor charges in lieu of a check.
- Type III P- Card: Such cards are issued to employees in the name of their department under the direction of the Executive Director of Facilities and other administrators as approved by the Superintendent. The daily limits established for these cards will be of a minimal value and will not require the completion of a P-Card Authorization Form.

NOTE: All cards assigned will require the completion of a P-Card Approver/Manager/Holder Agreement Form by Card Approvers for Type I and III, Chief Financial Officer for Type II Card. Further, Card Managers will also sign the agreement for their principal/administrator's Type I/III Card.

Requesting a Change in Card Limits

Requests for changing the credit limit of a card shall be directed to the District Procurement Card Administrator (DPCA) by email by the Card Approver. The email must include a completed P-Card Authorization Form. Also, the email must be forwarded to the Chief Financial Officer. The request must provide sufficient detail explaining the reason for the purchase. If approved, the DPCA will request the change with Elan and once completed will notify the Card Approver. Once the transaction is completed, the Card Approver must notify the DPCA and the credit limit will be reset to the original amount.

Card Usage

Required Before the Purchase:

1. Approved Vendor. Determine if the vendor is included in the Elan Access Online Transaction Management System by using the search function for vendors. If not, forward a request for a new vendor to the Finance Department. At a minimum, please provide the business name, address, and contact person (if applicable). A P-Card vendor number will be assigned with a C as the prefix. Please note that a future purchase order cannot be issued for a vendor number with a C as the prefix. However, an existing V-prefix vendor number can be used for a P-Card purchase. (See section 5.1.1, 1099-MISC Procedures below under **After the Purchase**). Once entered into the TMS the DPCA will notify the requesting Card Manager by e-mail.
2. Available Budget. Available budget must be verified by the Card Approver prior to approving the purchase.

Sections 3 - 5 address the requirements for obtaining the appropriate approval for the various purchases allowed with a P-Card:

3. District-Level vs. School-Level Purchase. For cards issued (Type I cards) to schools the Card Approver (Principal) must first determine if the P-Card transaction will be completed by the school or a district-level department. If the source of budget is Federal or a State Categorical/Grant identified as a district-level budget identified on a Project Listing issued by the Finance Department, then any purchase desired must be requested from such departments using each department's request forms for purchase. The department's P-Card will be used to finalize the transaction.
 - 3.1. *Available Projects on the Elan Access Online Transaction Management System (TMS)*. The TMS provides a valuable budget control function through the establishment of charge code groups that restrict the project numbers available to be coded for each card issued. By using the search function in the TMS a Card Manager can always determine if a project number is available to be charged. If the Card Approver or Manager believe that a discrepancy has occurred with regards to available project numbers then they can contact the Chief Financial Officer for a final determination.
4. Technology Purchases. Any purchase with a P-Card for technology goods/services will be finalized by the Technology Department. The requesting school/department must submit an approved Technology Quote and Purchase

Request Form to the Technology Department. If the school's request is to be charged to a Federal or State Categorical/Grant budget, then the Request Form must first be directed to the appropriate district department that administers such funds. If approved, the district department will forward the Request Form to the Technology Department.

5. Other Purchases. For purchases other than those described in Sections 3 and 4 above, the following approval process must be followed: Prior to using a Type I card, a TCSB 14/15-15 P-Card Authorization Form must have been completed and signed by the principal/administrator. If a staff member other than the Card Manager is authorized to use the card, then they must also sign the P-Card Authorization Form.

- 5.1. *Detailed Description of Goods/Services*. If the purchase is only for a single or few items, the detail may be entered in the space provided on the form. For lengthy lists of supplies ordered, detail quotes or order forms may be attached to the form for the Card Approver's review with the notation "See Attached..." entered on the form. (Also, see the section 5.1.2 Scanned Documents below under the **After the Purchase** section for helpful tips on generating the required documents for uploading to the Elan Access Online Transaction Management System (TMS) However, for audit review the purpose of the purchase must always be provided and different types of commodities identified (i.e. supplies versus equipment).

- 5.2. *Type II P-Card Purchases*. P-Card transactions for periodic payments of utilities will not require an approval form. The transaction will be reviewed by another Finance Department employee before it is uploaded into the TERMS accounting system. All other usages of this P-Card will require prior approval of the Superintendent and/or the Chief Financial Officer.

- 5.3. *Type III P-Card Purchases*. Due to the efficiencies provided by the P-Card process, frequency of transactions, and the minimal value of transactions allowed, purchases made with a Type III P-Card will not require any approval form signed before the transaction is completed. Such transactions will be controlled by the minimum credit limits established for such P-Cards and the daily monitoring of activity by the Facilities Department's director and secretary.

- 5.4. *Purchases of \$3,000 or Greater*. For Type I P-Cards, any purchase that will exceed \$2,999.99 will require an increase in the credit limit. The request for the increase in the credit limit is made to the DPCA e-mail. Section B of the P-Card Authorization Form must be completed to document the telephone or written quotes received or the statutory exception cited for not obtaining

quotes. If quotes are required, then the quotes received must be either attached (written) or detail provided and documented on the form (telephone). At a minimum, documented detail includes the vendor's name, contact person, and amount quoted. This form will be reviewed and approved by the DPCA and the Chief Financial Officer and confirmed with a responding e-mail. For Type III Cards, the P-Card Authorization Form must be used as well when applicable. A notable exception is for normal purchases completed by the Food Services Department for food and supplies items awarded under a District bid or fuel purchases by the Transportation Department as authorized by a District bid.

6. Allowable Expenses. The card shall be used for authorized purposes only. Purchases must comply with Board policy and rules related to procurement of goods and services. Further, no personal items or items prohibited by Board policy are to be purchased with a district P-Card.
7. Split Purchases Prohibited. Purchases shall not be split for the purpose of avoiding the single transaction credit limit.

Making the Purchase:

1. Types of Procurements. The P-Card may be used for over-the-counter store purchases, by telephone, or via the internet. Please note that internet purchases must be made on secured sites only. For over-the-counter purchases the card user will present the card and their Taylor District ID badge to identify themselves as a district employee. Our State Sales Tax ID number will **not** be printed on the face of the card. Therefore, it may be prudent to have a copy of our Sales Tax Exemption Certificate to present at checkout as well.
2. Back Orders. To assure that the supplies or services are readily available for the purpose of reconciling all charges on the monthly card statement the user of the card must confirm that the vendor will charge the P-Card only when shipment is made. As a result no back orders should occur. The vendor should be agreeable to this request as their contract with Visa requires such accommodations.
3. NO CASH ADVANCES. A P-Card can never be used for a cash advance.

After the Purchase:

1. Documentation. For all transactions, the user of the card must retain the original detailed receipt for purchases.
 - 1.1. Required Documents. The following documents are required to support transactions uploaded to the Elan Access Online Transaction Management System: a completed TCSB 14/15-15 P-Card Authorization Form with

signature indicating approved receipt of goods/services, detailed receipt, quotes (if required), and any other pertinent documentation (e.g. packing slip, contractual services agreement, evidential documentation for other governmental bids utilized).

- 1.2. *Retention of Documentation.* The originating department/school must forward any required documentation generated to the Finance Office Accounts Payable Department for retention.
- 1.3. *Lost Receipts.* If a receipt is lost, the Card Manager and/or Card User is responsible for requesting a duplicate from the vendor. If unsuccessful, the User must prepare a signed statement indicating the items purchased, date of the purchase, and the merchant name. If verification of the details of the transaction cannot be obtained from the merchant, then disciplinary actions may incur including a decision that such expenditures are personal and subject to reimbursement by the Card User.
2. Credits. For items returned a receipt must be obtain to verify the credit received. The Card Manager must ensure that all credits are properly entered into the Elan Access Online Transaction Management System.
3. Denied Purchases. The Card Manager shall report a denied point of sale or other rejected purchases to the DPCA. Information to be provided includes the merchant name and the date of the declined sale. The DPCA shall investigate the denied purchase and take appropriate action if possible and report any results to the Card Manager.
4. Securing the P-Card. Once the card has been used for a purchase, the card shall be returned to the Card Manager to be secured in a safe location. A P-Card shall not be checked out overnight from a location except for emergency conditions approved by the Chief Financial Officer.
5. Data Entry into the Elan Access Online Transaction management System. Once the necessary documentation has been secured, the Card Manager will enter the necessary information into the Elan Access Online Transaction Management System. This includes the specific appropriation (i.e. fund, function, object, cost center, and project number) to be charged, vendor number and commentary information (e.g. invoice number if applicable) in the space provided. Also, once the receiving report has been signed and received, the Card Manager shall upload all documentation supporting the charge incurred with the P-Card.
 - 5.1.1 *1099-MISC Procedures.* One advantage of procuring services with a P-Card is not having to report services rendered by vendors at the end of the tax year to the IRS and the vendor in accordance with the requirements for a 1099-MISC IRS form. To distinguish P-Card

transactions from purchase order transactions, certain objects used to code services will use a 9 rather than a 0 at the end of the 3-digit code. For a P-Card transaction, Other Purchased Services will be coded as a 399, Repairs & Maintenance 359, etc. The drop-down menu for objects on the Platform will be restricted to such codes to prevent errors in coding to a 1099-MISC object.

- 5.1.2. *Scanned Images.* All supporting documentation must be scanned into the TMS. Physical receipts will be scanned and uploaded into the TMS. If the receipt is printable from a computer, then the individual can print to PDF and save the image without the physical printing and scanning of the document. When choosing a printer, select the PDF option in your Print Menu.
- 5.1.3. *Deadline for Entry.* Within **5 days** of the transaction's posting on the TMS the Card Manager shall code the transaction and scan all other pertinent documentation, including the P-Card Authorization Form with or without a receiving signature. The cost center/department initiating the purchase of goods/services should attempt to receive such goods/services as soon as possible. If they have not been received within the 5 days required, then the Finance Office shall be notified of the pending receiving report by email. Violation of the deadline requirements may result in temporary suspension of P-Card usage.
 - 5.1.3.1 *EXCEPTION - Federally-funded Purchases.* The Card Manager will follow the procedures above for federally-funded purchases. The Accounts Payable Approver will not give final approval until the expenditure actually incurs. The consequence of such a procedure will be that the General Fund will actually fund the expenditure if a payment becomes due for the Elan before the expenditure incurs and is uploaded to TERMS. This will preclude the District from requesting cash from DOE's CARDS system before being eligible to do so.

Conclusion

Lost or Stolen Card. If a card is lost or stolen, the Card Approver must immediately notify the District Procurement Card Administrator (DPCA) in the Finance Department. In addition, the toll-free number provided for reporting a lost/stolen P-Card shall be called to notify Elan of the incident as well. Once notified, the DPCA will contact Elan to block the use of the card and the Card Approver shall not be responsible for any charges after the card is reported lost or stolen. A replacement card will be issued by Elan and delivered to the DPCA.

Canceling a P-Card of a Terminating Employee. Any employee issued a P-Card will surrender such card to their supervisor prior to the last day of work or during the exit interview (if applicable). Upon receipt of the P-Card, the supervisor shall destroy the card by cutting the card in two and returning the card to the Finance Department.

Violation of Provisions Herein

Any willful violation of provisions listed within this manual (including the provisions of the Procurement Card Approver/Manager/Holder Agreement) will be considered abuse of the P-Card Program and may result in disciplinary actions.

