

Purchasing Card Program Cardholder Manual

Bank of Montreal Information

www.bmodetailsonline.com

**Bank of Montreal
(1-800-263-2263)**

**Bank of Montreal Emergency
Lost/Stolen
(1-800-361-3361)**

MSBSD Information

**Bank of Montreal – V58866
Accounting Dept (746-9223)
Fax (907-4086)**

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INTRODUCTION

Welcome to the Mat-Su Borough School District Purchasing Card program!

On behalf of Fiscal Services, I welcome you to participate in Mat-Su Borough School District's Purchasing Card program ("P-Card"). We believe that each team member's time is valuable and we believe the P-Card program contributes directly to enabling you to streamline your department's purchasing needs.

This manual is designed to acquaint you with information about the P-Card program's policies and procedures. You should read, understand, and comply with all provisions of the manual. It describes many of your responsibilities as a team member and outlines the processes and procedures to facilitate secure, timely and accurate purchasing transactions. One of our objectives is to provide purchasing channels that empower our employees to make sure our resource needs are met to deliver quality services to our school district while at the same time providing the necessary financial controls to safeguard our organization's assets.

The P-Card manual cannot anticipate every circumstance or question. As our organization usage continues to grow, we may revise, supplement, or rescind any policies or portion of the manual from time to time as the organization deems appropriate.

Again, I welcome you to the P-Card program!

Sincerely,

Barbara Urban
P-Card Administrator

CODE OF CONDUCT

The Code of Conduct for Mat-Su Borough School District Purchasing Card Program is designed to provide the participant a set of guidelines and philosophy to follow regarding the use of the card.

- **Purchases**
P-Card purchases should be made so that the organization gains the maximum value and quality for each purchase.
- **Supplier Gifts**
Decline all personal supplier gifts offered.
- **P-Card Agreement**
The issuance of a P-Card is strictly prohibited prior to receipt of a signed agreement from the employee. An employee must sign the P-Card agreement prior to receiving a P-Card.
- **Personal Use of P-Card**
Only authorized business purchases may be completed with the P-Card and any personal purchases is strictly prohibited.
- **P-Card Security**
The P-Card is the property of Mat-Su Borough School District and as such should be retained in a secure location. An employee may use the P-Card when traveling on business on behalf of Mat-Su Borough School District; otherwise, it should not be retained in the employee's purse or billfold. This practice reduces the possibility of the P-Card being lost or stolen.
- **Authorization**
Only the employee to whom the card is issued is authorized to use it. Delegating the use of the P-Card to another employee is strictly prohibited.
- **Supplier Bids**
Where required in accordance with organization policy, all suppliers should be offered an equal opportunity to participate in the organization's purchase programs within federal and state statutory regulation.
- **Supplier Disagreements**
If a disagreement occurs with a supplier, the employee should make every effort to reach a reasonable and equitable settlement to the dispute. If it is not possible to settle the disagreement under reasonable circumstances, then submit the dispute to arbitration with an independent, impartial third party.

CODE OF CONDUCT

- **Negotiations**

Each employee is required to conduct themselves in a good faith manner when negotiating with suppliers. Any intentional misrepresentation is strictly prohibited.

- **Organization Policies**

Adhere to organization policy as it relates to the P-Card program and Purchasing Procedures. Purchase orders are not required for P-Card purchases; however funds must be available in the proper account.

- **Documentation**

All purchases using the P-Card program must be properly documented for business purposes. Any altered or forged documentation is strictly prohibited.

- **Purchase Restrictions**

The purchase of products, services or commodities on the restricted list in the Purchasing Card Policy is strictly prohibited. Check with your department manager or the Purchasing Department if you have any questions about whether a charge is valid under the P-Card program.

- **Purchase Limits**

All dollar value purchase limits will be adhered to under the program and any splitting of transactions to avoid authorized limits is strictly prohibited.

- **Business Practices**

In all supplier relationships and purchasing, promote and cooperate with trade and professional associations and with state, federal, local and private agencies on encouraging fair, ethical and legal business practices.

1.1 Overview

The purchasing card program is designed to assist the organization in reducing its reliance on requisitions, purchase orders, petty cash funds, employee advances and paper checks, and reduces the need to use personal funds for business purposes. The program should help increase your turn-around time in the fulfillment of orders, provide greater flexibility and reduce paperwork. The Accounts Payable Department is responsible for the implementation, maintenance, program compliance, auditing, processing payment, issuance of the P-Card, and bank relations to solve customer service issues. Only employees of the organization are allowed to participate in the program. Each cardholder has the responsibility to review, reconcile their account statement and transactions by the due date. All receipts are to be kept at the site in a P-Card binder.

All policies outlined in this manual and the organization's financial and operational policies must be adhered to and any failure to comply can result in the suspension from the P-Card program and also include disciplinary actions that may include termination of employment. The P-Card issued to the cardholder is the property of Mat-Su Borough School District and can be canceled at any time. Periodic audits will be performed to ensure the cardholder is in compliance with the policies and procedures.

1.2 Cardholder Setup

The new participant must also read the P-Card Agreement that outlines the responsibility of the cardholder while in possession and use of the P-Card. In addition, the participant is required to read the Code of Conduct for the program and adhere to the principles in the policy. Both of these documents must be completed and signed prior to the release of the P-Card to the cardholder from the P-Card administrator.

1.3 Activation of Account

To activate your P-Card follow the instructions below.

1. Call the toll free card administrator phone number on the label affixed to the card.
2. When prompted enter your card number.
3. You will then be prompted for personal information which will identify you as the cardholder in possession of the P-Card.

If you have problems activating your account, please call the P-Card administrator at (907) 746-9223 or via email at barbara.urban@matsuk12.us. Prior to the activation of your account you must attend the P-Card Program training seminar at which time you will sign the P-Card Agreement noted on Page 6.

2 Purchasing Guidelines and Limits

2.1 Overview

Mat-Su Borough School District only allows certain purchases to be made using the P-Card. All purchases must be made in compliance with our Purchasing policies and the guidelines set forth in this manual. Any violation will result in disciplinary action that may include termination of employment. Only the authorized cardholder may use the P-Card and no authority is permitted or conferred to the cardholder for the delegation of its use. Each cardholder has a designated credit limit for monthly purchases, daily purchase credit limit and single purchase credit limit. Intentional circumvention of these limits is strictly prohibited. This includes splitting a transaction amount with the same vendor or multiple vendors for purchases that would otherwise exceed the cardholder's limits. Mat-Su Borough School District will perform periodic audits electronically and manually to verify adherence to this policy.

2.2 Allowable Purchases

2.2.1 General Supplies

2.2.2 Travel (as permitted by Mat-Su Borough School District travel policy)

2.2.3 Dues for associations

2.2.4 Subscriptions for business purposes only

2.2.5 Meeting/convention expenses

2.2.6 Newspaper Advertisements

2.2.7 Small tools/equipment not to exceed 5000.00 except technology related items. See restrictions below. 2.2.8 Professional services are now allowed using the P-Card. However, when a vendor is providing services to students a contract is required, to ensure that students and the District are protected.

2.3 Prohibited Purchases with the P-Card

- 2.3.1 Cash advances, wire transfers or money orders
- 2.3.2 Technology related purchases. Written approval from IT is required to purchase technology related items to include but not limited to iPads, tablet computers, notebooks, net books, copiers and cell phones.
- 2.3.3 Maintenance contracts
- 2.3.4 Personal purchases
- 2.3.5 Alcohol purchases
- 2.3.6 Donations
- 2.3.7 Parking tickets

2.3.9 Fuel for personal vehicles

2.3.10 Employee gifts/gift cards

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3 Recordkeeping & Reconciliation

3.1 Overview

The cardholder is responsible for maintaining adequate receipts for goods and services purchased with the P-Card. The cardholder must contact the vendor directly to resolve any discrepancies or incomplete orders. The documentation retained should include sales receipts, packing lists (if applicable) and credit card transaction receipts. Receipts will be given to the Administrative Secretary daily. Monthly statements are available on the 6th of each month. The cardholder will be responsible for coding and adding a description to each transaction in the Bank of Montreal web site within 3 business days. A transaction log using Microsoft Excel is available online at the Accounting website to assist the cardholder in tracking purchases.. Any incorrect charges, duplicate transactions or missing credits must be addressed directly between the cardholder and the vendor. Cardholder P-Card privileges may be suspended for non compliance to the timeline specified above. The Accounting Department will honor immediate suspension of cardholder privileges that are reported by the individual responsible for reconciliation. This is usually the Administrative Secretary, Principal or Administrator.

Reconciling

Apply proper descriptions and account codes to each transaction in the BMO web site. After the cardholder has reviewed the transactions the Principal/Administrator will have an additional 3 working days to approve the purchases on the BMO web site.

Verify amounts charged

Verify payment of a prior period balance Notify the Accounts Payable Department immediately for any un-posted payments from the prior month's cycle resulting in late fees to the account

Attach the original purchase receipts to the account statement The Administrative Secretary will keep the original receipts in dated order using the "Binder" filing system. The binder will remain at the site and be available for audit by the Accounting department at any time.

3.2 Missing/Inadequate Receipts

If the cardholder is missing receipts or has an inadequate receipt, they must fill out a Missing Receipt Form documenting the pertinent transaction information. This documentation is then reviewed by the Principal/Administrator and filed with the monthly summary.

3.3 Examples of Receipt Documentation

3.3.1 Cash register receipt

3.3.2 Car rental original receipt showing date in and out

3.3.3 Airline itinerary and sales receipt (if an electronic "e-ticket" attach the boarding pass document)

3.3.4 Itemized hotel bills

4 Billing & Payment

4.1 Overview

Mat-Su Borough School District receives a single account statement from its P-Card bank administrator on the 6th of each month. The cardholder must complete their online reconciliation within 3 business days of the statement availability. The site Principal/Administrator will complete their approvals within the next 3 business days.

4.2 Key Dates

- 4.2.1 Monthly statement ending posting cycle by the bank is from 6th to the 5th of a month
- 4.2.2 The Cardholder will print the monthly account statement on the 6th of each month. The statements will print the account code that has been assigned to a transaction. When account codes have been changed a new statement should be printed to reflect the proper coding. This revised statement will be filed in the site binder with the original receipts attached.
- 4.2.3 Cardholder must reconcile transactions on the BMO web site within 3 business days of the statement availability.
- 4.2.4 Principal/Administrator will complete the final approval of all transactions within the next 3 business days.

5 Disputed Transactions

5.1 Overview

At times there might be disputed transactions appearing on a cardholder's account statement. The dispute may arise due to non-delivery of the goods or services, incorrect billing, duplicate billing, missing a valid credit not processed to the account for a return, altered charges or defective merchandise. When this occurs the cardholder must complete a Disputed Statement Form documenting the reason for the disputed item and other transaction details. The cardholder must submit the form directly to the bank and should also notify the vendor of the discrepancy. The cardholder is responsible for resolving the disputed item with the vendor.

If a vendor does not issue a credit for a returned item within 10 days of the return, cardholder must also complete the Dispute Statement Form as notification to both the bank and the vendor. Any disputes that cannot be resolved by the cardholder directly with the vendor may contact the bank for assistance.

Contact Information

Telephone> 1-800-263-2263

The bank must be notified of all disputed transactions within 30 days of the statement date.

NOTE ON RETURNED ITEMS: Items should be returned directly to the vendor by whichever means the vendor requires. It is the cardholder's responsibility to determine that proper credit is posted for any returned item

5.2 Key Dates

- 5.2.1 Cardholder has 30 days from statement date to notify the Bank of the dispute
- 5.2.2 Cardholder has 10 days from the date of the returned merchandise to begin the dispute process

6 Account Maintenance

6.1 Overview

The cardholder information, such as credit limits, etc., may change periodically. An Account Maintenance Form must be completed by the cardholder and approved by his or her supervisor. The form should be forwarded to the P-Card administrator for review, approval and processing. Updating the account information takes approximately three (3) days after submission by the P-Card administrator to the bank.

6.2 Information Updates

- 6.2.1 Credit limit
- 6.2.2 Type of purchasing allowed by the cardholder
- 6.2.3 Cancellation of the cardholder's account
- 6.2.4 Suspension of the cardholder account

7 Travel & Entertainment using the P-Card

7.1 Overview

A cardholder must have the travel TA number obtained in My Learning Plan. The TA#, travelers name and description of the purchase must be entered in the BMO transaction. The cardholder must adhere to the organization's Travel and Entertainment Policy guidelines and procedures. All travel and entertainment must be for business purposes only and any personal use is strictly prohibited.

7.2 Travel & Entertainment Tips

- 7.2.1 The P-Card should not be used for gasoline for your personal vehicle when it is used for business purposes. Business travel incurred when using your personal vehicle will be reimbursed by claiming mileage on your expense report. If you are traveling with a rental car, then gasoline may be purchased using the P-Card.
- 7.2.2 The P-Card may be used to pay itemized hotel bills. However, personal charges from incidentals in the hotel room will be the responsibility of the cardholder.
- 7.2.3 The organization does not provide ATM privileges with its P-Card program. Any cash needed while traveling must be either from personal funds or cash advances that are reimbursed upon submitting an expense report.
- 7.2.4 All entertainment must be for a business purpose and documented as to the participants and location.
- 7.2.5 Normally meals will be covered under the travel policy's per diem rules. Meals that are charged to the P-Card cannot exceed the approved per diem rates, and any meals charged to the P-Card will reduce the amount of per diem.

8 Audits

8.1 Overview

All cardholder accounts are subject to periodic audits to ensure compliance with the organization's overall policies and the policies outlined in this manual. The P-Card administrator and the Accounting Department review daily, monthly and annual transaction activity reports as deemed necessary to ensure adherence to the P-Card policies. The Accounting Department will be conducting site audits during the school year. If an audit reveals a policy violation, the cardholder and their supervisor will be contacted and disciplinary action assessed based on the type of violation.. New restrictions are being implemented.

8.2 Violations

- 8.2.1 Delay of approval beyond the 7th day.
- 8.2.2 .
- 8.2.3 Personal use of the P-Card.
- 8.2.4 Allowing an unauthorized user to use the P-Card.
- 8.2.5 Purchase of prohibited products, service or merchandise outlined in the organization's policies and in this manual.
- 8.2.6 Failure to pay inadvertent personal charges on the P-Card.
- 8.2.7 Fraudulent transactions with a vendor.

Violation of the organization's Purchasing Policy8.2.9 When using your P-Card for travel incidentals such as: baggage, meals, telephone, taxi and parking **PLEASE DO NOT CLAIM THESE INCIDENTALS ON YOUR TRAVEL EXPENSE SUMMARY, IT IS DUPLICATION AND CONSIDERED FRAUDULENT.**

8.3 Consequences

- 8.3.1 If an approval of P-Card purchases is delayed, on the 7th business day, an email will be sent asking for your immediate response.

8.3.1a If there is no response within 48 hours the activity will be automatically posted to your site budget, the P-Card(s) will be shut off for a period of 30 days, and a first offense letter will be sent.

8.3.1b If a second offense occurs the P-Card(s) will be immediately shut off for a period of 60 days. Reactivation will require a written request to reopen the account. The request is to include details as to what has been done to avoid future delays.

8.3.1c If a third offense should occur, the P-Card will be immediately suspended for a period of one year and a letter of reprimand will be placed in the responsible employee(s) permanent file.

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8.4 Overview

If your card is lost or stolen, the cardholder must immediately contact the Bank and the P-Card Administrator. Upon notification, the card will be suspended immediately and any charges posted to the account after the “missing date” will be denied. A new card will be issued upon completion of an application and indicate that the card is a replacement. After the application is received by the P-Card Administrator it will take approximately two (2) days to reissue a replacement card.

8.5 Card Security Tips

- 8.5.1 When you are not traveling on organization business, the card should be retained in a secure location other than your personal billfold or purse.
 - 8.5.2 A canceled card should be destroyed by shredding.
 - 8.5.3 When presenting your card for purchases, provide your employee badge to identify you as the authorized user of the card.
 - 8.5.4 Sign the back of the card and also write “See ID” next to the signature to remind the vendor to look at your personal identification to authenticate the transaction.
 - 8.5.5 Do not provide your card account number to unsolicited marketing calls.
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8.6 Contact List

- 8.6.1 Bank Information
 - BMO/Harris Bank
 - 1-800-263-2263 (Primary Number)
 - 1-800-361-3361 (Lost/Stolen – Emergency Replacement)
- 8.6.2 P-Card Administrator
 - Barb Urban
 - 907-746-9223
 - barbara.urban@matsuk12.us