

FINANCE

Policy 611.5.1-R

Purchasing Goods and Services

Procurement Cards Usage and Responsibility

Definition

1. Procurement Card (P-Card)

The P-Card account is a separate account established by board authorization for use by individuals at schools, district offices or departments in making small or emergency purchases. All procurements are the property of the school district. Personal charges and usage of the P-Card are strictly prohibited.

2. Procurement Card Program Administrator

The P-Card Program Administration will be managed by the Finance Services Department (Finance and Purchasing). These responsibilities include, but are not limited to:

- All administrative interaction between school district and the P-Card financial institution.
- Maintaining a cardholder database.
- Authorizing the issue of new cards.
- Arranging for the cancellation of cards.
- Arranging replacement, lost or stolen cards.
- Establishing and maintaining district-wide communication.
- Assisting in normal card usage procedures.
- Assisting in problem resolution.
- Notification of non-compliance to cardholders and initiating appropriate action, if necessary.

3. Account Coordinator

The account coordinator (school administrators and other management staff) is assigned responsibility for budgets directly related to the activities he/she manages. This person is responsible for the authority and use of the P-Card and ensuring proper reconciliation of each card issued under their authorization. By authorizing an employee for use of the P-Card, the account coordinator has granted this employee authority for purchases to be made and charged to the account coordinator's respective budgets. The account coordinator will approve P-Card charges of the authorized employees and ensure proper assignment of general ledger account number to those charges in a timely manner.

4. Procurement Cardholder

The P-Cardholder is the individual, who has responsibility for the P-Card and overall management of its use, including:

- Authorizing disbursements.
- Accounting and reconciliation of the procurement account purchases and credits.
- Maintaining card security to prevent unauthorized charges against the accounts.

- Ensuring purchases are in accordance with district policies, regulations, guidelines and best accounting practices.
- Immediately notifying the P-Card financial institution and the P-Card Program Administrator of lost or stolen cards.
- Notifying the P-Card financial institution and the P-Card Program Administrator of disputed charges.
- Adhering to all conditions and restrictions on card usage.
- Verifying and reconciling all account activity, prices, authorizations for payments, etc.
- Notifying the P-Card Program Administrator of any changes to assignment (school, department) or in personal information (name, workplace location) or any changes that require an adjustment to default general ledger account numbers.

Authorization of Procurement Card

1. Use Approval

The Secretary Treasurer authorizes Financial Services Department to issue a P-Card to any employee at the school, district office or department, where appropriate and within the board's approval of use.

2. P-Card Credit Limit

Each P-Card is restricted on the number of transactions and dollar amount of purchases per transaction and per month. The default transaction credit limit per card will be \$1,000 per transaction and a maximum credit limit of \$5,000 per month.

Cardholders may request an increase or decrease of the credit limit through their account coordinator, to the Financial Services Department stating their reasons for the request. Requests will be reviewed for their appropriateness before approval.

3. Application for the Procurement Card

Employees wishing to obtain a P-Card can make an application by completing a Procurement Card Application Form (available on the staff portal). This application will include:

- Name of employee
- Employee number
- Location of the employee
- Employee acknowledgement of responsibilities
- Signature of employee
- Authorization by the account coordinator (school administrator or manager)

All applications will be forwarded to the Financial Services Department for review and consideration for a P-Card. Incomplete forms will be returned to applicant. Any denied application will be returned with stated reason.

4. Procurement Cardholder Responsibility

a. P-Card Use and Management

The P-Cardholder accepts full responsibility for the use of the card once activated. The P-Card is strictly for School District No. 38 (Richmond) business. No personal use of the P-Card is allowed.

The P-Card can be used to make any purchases within the acceptable limits of the

card.

The P-Card is prohibited from being used for:

- Prohibited purchases such as liquor, any products for smoking and/or vaping and explicit materials.
- Wages and salaries.
- Payment to consultants or contractors.
- Cash advances.
- Purchases in excess of \$1,000, including taxes and delivery.
- Orders which have been split into two or more transactions to remain under the \$1,000 limit.
- Personal purchases, even if the cardholder intends to reimburse the district for the expense.

The P-Cardholder must adhere to all the conditions and restrictions imposed on the card usage.

b. P-Card Security

P-Cards must be safeguarded and the number must not be given out except to authorized suppliers (a supplier with whom an order is being placed). Keep the P-Card and the P-Card number and PIN confidential.

c. Lost or Stolen P-Cards

The P-Cardholder must report lost or stolen cards immediately to the P-Card financial institution (Bank of Montreal) and to the P-Card Program Administrator (Financial Services Department). Once reported to the financial institution, the account will be block immediately minimizing the potential risk exposure. Verbal reports of lost or stolen P-Cards must be followed up in writing to the P-Card Program Administrator by way of an Incident Report.

d. P-Cardholder Transfer to Another District Site/Location

In the event a P-Cardholder transfers from one site/location to another or between departments, the P-Card need not be surrendered, if the new account coordinator deems the P-Cardholder should maintain the card. However, the default general ledger account might need to change.

It is the responsibility of the P-Cardholder to immediately advise the P-Card Program Administrator of any changes in assignment or personal information. Before leaving for their new assignment, the P-Cardholder should ensure that all purchases made up to the point of the assignment change are reconciled.

e. P-Cardholder Termination of Employment

The P-Cardholder must inform the P-Card Program Administrator of his/her termination of employment and surrender the card to the P-Card Program Administrator.

f. Fraudulent Card Use

If the financial institution, P-Cardholder or P-Card Program Administrator suspects that the card has been used fraudulently, the card will be cancelled. The financial institution can suspend cards instantly upon notification be the cardholder or program administrator. If the cardholder is asked by a merchant to surrender a revoked card, he/she must do so. Intentional misuse or abuse of the P-Card will

result in immediate revocation of privileges, and may be cause for disciplinary action.

g. Procurement Card Cancellation

A P-Card can be revoked for the following reasons:

- Employment termination of cardholder.
- Suspected misuse or fraudulent use of P-Card.
- Non-compliance with district policies, regulations and guidelines.
- Change in cardholder's employment assignment, where duties do not necessitate the need for a P-Card.
- Lost or stolen P-card.
- Request by Secretary Treasurer or designate to terminate card.

h. Procurement Card Statement Reconciliation

The P-Cardholder must obtain receipts for each transaction to reconcile the purchase made on his/her P-Card. Receipts must be originals and credit card slip/statement is unacceptable. Digital receipts or digitally scanned receipts are acceptable.

If the P-Cardholder has a concern with a transaction, the P-Cardholder will seek resolution directly with the merchant. If the problem cannot be resolved, the P-Cardholder must notify the P-Card Program Administrator.