1. PROCUREMENT CARD PROGRAM OVERVIEW

1.1. BACKGROUND

Since November 2010, the Spring Independent School District ("Spring ISD" or "District") has partnered with American Express to implement and administer a Procurement Card ("P-Card") program (the “Program”) that meets the specific needs of the District and the participating departments and authorized cardholders.

1.2. PURPOSE

The purpose of the P-Card Program is to establish a more efficient, cost-effective method of purchasing and paying for specific categories of expenditures, as defined within this P-Card Program User’s Manual (the “User’s Manual”).

The American Express P-Card is a credit card tailored specifically for authorized business use only and is intended to streamline the purchasing process for authorized transactions.

1.3. BENEFITS

The P-Card Program provides many benefits to the District and authorized cardholders, including, but not limited to, the following:

- P-Cards simplify the procurement process for authorized transactions and provide a convenience factor to the cardholder, enabling the cardholder to make a purchase at the actual time their need arises;
- The P-Card transaction provides process and cycle-time savings by minimizing the number of documents, including purchase requisitions, vendor invoices, and District checks, to be processed for authorized purchases;
- Corporate Card rewards points, applicable to select Corporate Card accounts only, are earned on eligible purchase transactions and are consolidated at the District level. The earned points are then used to purchase incentives for staff;
- Depending on the type of P-Card issued to a cardholder, individual P-Card accounts can be programmed with pre-defined restrictions, ensuring that only transactions meeting the Program criteria are allowed. Such restrictions help ensure compliance with budgetary, departmental, and purchasing policies and procedures;

This User’s Manual provides cardholders the general guidelines for proper use of the P-Card assigned to them. Please read it carefully. Your signature on the cardholder agreement affirms that you understand the intent of the P-Card Program and agree to follow the established school district and departmental guidelines.
1.4. RISKS & LIMITATIONS

1.4.1. POTENTIAL RISKS

Potential risks associated with the P-Card program include the following:

- **Inappropriate Card Use ("Improper Purchases").** For example, a cardholder may decide to use the P-Card to purchase a good or service not specifically authorized under the cardholder’s Card Use Guidelines. In such instances, the cardholder may be reprimanded or suffer greater consequences, including termination of employment.

- **Internal and External Fraud.** For example, a cardholder could lose or misplace their card and the card could fall under the hands of an unauthorized person. Cardholders must ensure the safety of their card at all times to prevent any possibility for fraudulent transactions.

- **Improper Budget Account Code Allocation.** For example, a cardholder may not select the proper budget account codes during the account reconciliation process. Cardholders must comply with internal budgetary guidelines to ensure proper coding of their purchase transactions.

- **Non-compliance with Federal, State, or Local Laws and/or Regulations.** For example, certain laws or regulations may impose strict restrictions making it difficult to comply with their requirements if making a purchase with a P-Card. In such instances, the P-Card should not be used.

- **Damage to the District’s Reputation and Risk of Criminal Charges.** For example, blatant misuse of the P-Card Program could potentially end up in the news and damage the reputation of the District. In addition, those involved in such misuse could potentially be charged with a criminal offense and face criminal charges and jail time. This is a very real and serious risk; therefore, compliance with the policies and procedures of the Program must be followed and strictly enforced.

In order to mitigate the risks of a P-Card Program, it is important that all individuals involved in the Program comply with all applicable policies, procedures, and regulations.

1.4.2. LIMITATIONS

P-Card Programs are often limited by the classifications of cards or levels of control available through the company offering the P-Card program. Some of the limitations existing in Spring ISD’s current P-Card program include the following:

- **Approval Levels Available in Online Reconciliation System.** At this time, the American Express Corporate Account Reconciliation (CAR) system has a maximum of four approval levels, as follows: Cardmember, Cardmember Manager, Basic Control Account (BCA) Manager, and Accounting Manager.

- **Types of Controls Available per Card Type.** Currently, the types of controls available on Corporate Cards are limited to monthly volume (amount) limits only. Unlike the traditional P-Cards, Corporate Cards cannot be assigned transaction limits or restrictions by Industry Code. In addition, Preferred Supplier List restrictions are only available on P-Cards, as applicable.
2. CARD CLASSIFICATIONS

The cards in use at Spring ISD are classified either as Corporate Cards or traditional Purchasing Cards (P-Cards), as follows:

2.1. CORPORATE CARDS

These cards work like a traditional credit card and offer minimal controls. For example, only a monthly limit can be established on a Corporate Card, compared to a P-Card which also allows for a transaction limit. The monthly limit can be adjusted up or down by the Program Administrator only, and in accordance with the Card Use Guidelines approved for each respective cardholder. Currently, Corporate Cards are used only by the district’s Financial Services division to (i) pay select vendor invoices associated with Purchase Orders (ii) subscriptions and (iii) pay for select district-authorized travel expenses, primarily airline tickets and hotels. Due to the limited controls available on Corporate Cards, these cards are currently not authorized for any other use.

2.2. PURCHASING CARDS (P-CARDS)

P-Cards function like a standard credit card when making purchases, providing the same level of convenience to the cardholder; however, P-Cards are tailored to help organizations better manage low dollar, high volume purchases. In addition, unlike a Corporate Card, P-Cards provide multiple levels of control that help the district manage how, when, and where cardholders use the card. P-Cards are the card type most commonly issued to district employees who are authorized to use a credit card. Two (2) categories of P-Cards exist: Monthly-Limit and Defined-Expense. Each P-Card type provides the same levels of control; however, each P-Card functions a little different, as explained below:

2.2.1. MONTHLY-LIMIT P-CARDS

This type of P-Card allows for a maximum monthly limit to be established on the card. For example, a card with a $500.00 monthly limit would not allow single purchases or monthly aggregate purchases exceeding such limit. This card functions like a traditional credit card in the sense that the balance on the card account begins at $0.00, and purchases can be made up to the transaction limit established on the card. As purchases are made on the card, the credit balance remaining on the card diminishes. The monthly limit and balance reset on a monthly basis once payment of the monthly statement is made for the given billing cycle.

A transaction limit may also be established on this type of P-Card to restrict single purchase transactions from exceeding such transaction limit.

Both the monthly limit and transaction limit can be adjusted either up or down by the Program Administrator only, in accordance with the Card Use Guidelines approved for each respective cardholder.

3. ROLES AND RESPONSIBILITIES
The roles and responsibilities of the individuals involved in the use and administration of the P-Card Program include the following:

### 3.1. PROGRAM ADMINISTRATOR (BCA MANAGER)

The Program Administrator (also known as the Basic Control Account Manager or BCA Manager) is responsible for the overall administration of the P-Card Program. This person is knowledgeable on all procedures in this User’s Guide. The Program Administrator will help with implementing P-Card changes (i.e., spending limits, account information, etc.) and will update policies and procedures as necessary to meet the changing needs of the District.

Below is a list of the primary responsibilities of the Program Administrator:

- Coordinates all aspects of the Purchasing Card Program
- Evaluates program compliance, policies and procedures, opportunities for program enhancements, vendor enrollment, and program effectiveness
- Maintains contact with all Program participants, including cardholders and cardholder supervisors, school and department administrators, vendors, and American Express
- Coordinates and/or conducts P-Card training sessions for new cardholders
- Maintains cardholder records, including but not limited to, account numbers, transaction limits, approval hierarchy, and card expiration dates
- Coordinates cardholder enrollment, termination, and changes (e.g. Managing limits, etc.);
- Maintains and communicates the Preferred Supplier List (PSL), as applicable
- Reviews and approves Assists with vendor disputes, as necessary
- Monitors (spot checks) monthly purchase activity within the reconciliation system and approved corporate card transaction logs, ensuring compliance with the Program policies and departmental guidelines, as well as with general procurement requirements
- Performs audits to ensure Program compliance and provides additional training to Program participants, as necessary

All requests, problems, or questions related to the Program must go through the Program Administrator. At this time, the Program Administrator is as follows:

Geralyn Mosely – P-Card Program Administrator,
Director – Purchasing & Contracts
Procurement Services Department
Phone: 281-891-6476
Email: gmosely@springisd.org

### 3.2. CARDHOLDER (CARDMEMBER)

A cardholder is the person designated by the Department Head to utilize the P-Card to purchase items within the Program’s controls and limits. Both your full name (first and last names) and “Spring ISD” are imprinted on the front of your card. You are the authorized cardholder. All purchases made with your assigned card must be only yours. Failure to follow established
purchasing guidelines when using the card may result in disciplinary action up to and including termination.

3.2.1. SAFEGARDING YOUR CARD

As the cardholder, you are solely responsible for ensuring the security of your card. The card is to be kept in a safe place, preferably locked up, when not in use.

You may not allow anyone else to make purchases on your card. If a cardholder will be absent from the office for an extended period of time, the Department Head should request that a card be issued to someone else within the department to act as back-up for the duration of the cardholder’s absence.

3.2.2. VERIFYING AND RECONCILING TRANSACTIONS

The cardholder is primarily responsible for ensuring the validity and accuracy of the purchases made on his/her assigned P-Card. As the cardholder, you must review all activity that posts on your account and are responsible for reconciling the monthly purchasing transactions displayed within the American Express web-based Corporate Account Reconciliation (CAR) system and the corresponding supporting documentation (i.e. Receipts, packing slips, delivery tickets, order confirmations, etc.). Corporate Card holders will follow the reconciliation process as outlined in Exhibit A, “Financial Services Division Standard Operating Procedures”.

Below is a list of the primary responsibilities of the Cardholder:

- Participates in purchasing card training
- Secures card and card number at all times
- Adheres to district and/or campus/departmental policies and procedures when making purchases
- Monitors returns and credits
- Ensures that items billed have been received
- Contacts vendors (merchants) and resolves disputes with the vendor, as necessary
- Obtains accurate records of all transactions
- Submits supporting documentation for purchases
- Reconciles all activity in a timely manner

3.3. CARDMEMBER MANAGER

The Cardmember Manager is a district employee holding the position of Principal, Director, or above and is primarily responsible for reviewing and approving payment for the purchase transactions made each month by each cardholder under his/her supervision. The Cardmember Manager’s approval confirms purchases were proper and necessary for the department.

Below is a list of the primary responsibilities of the Cardmember Manager:

- Participates in purchasing card training
- Identifies and recommends potential cardholders
- Recommends spending limits for each cardholder
• Reviews, validates, and approves cardholders’ monthly purchasing card activity
• Adheres to district and/or campus/departmental policies and procedures involving the procurement card program
• Ensures the required supporting documentation (e.g. Receipts, packing slips, order confirmations, delivery confirmations, etc.) is provided by the cardholder for proper reconciliation of each purchase transaction
• Ensures cardholders use the card in accordance with Program and/or campus/departmental policies, procedures, and/or guidelines
• Ensures retrieval of card upon termination of employment, role change, or transfer of duties involving cardholders and promptly notifies the Program Administrator of such events
• Enforces appropriate disciplinary action involving cardholders’ abuse, misuse, or carelessness involving use of the card

3.4. ACCOUNTING MANAGER (SECRETARY / BOOKKEEPER / ACCOUNTING CLERK)

The primary responsibility of the Accounting Manager is to confirm the accuracy of the budget account code allocation of each purchasing card transaction and retaining all relevant records in accordance with records retention requirements.

Below is a list of the primary responsibilities of the Cardmember Manager:

• Participates in purchasing card training
• Reviews monthly purchasing card activity within the reconciliation system to ensure each transaction is allocated to the appropriate budget account
• Processes account code adjustments within the reconciliation system, as necessary
• Ensures retention of all procurement card records (e.g. Receipts, packing slips, order confirmations, delivery confirmations, etc.), in accordance with Federal, State, and/or local record retention schedules.

The Accounting Manager role is usually an employee holding an administrative position such as a secretary or bookkeeper. In instances where the Accounting Manager is also the cardholder, then such individual must comply with the responsibilities of both roles.

3.5. ACCOUNTS PAYABLE COORDINATOR

The District’s Accounts Payable Coordinator is responsible for posting all monthly P-Card activity to the District’s general ledger and issuing payment to American Express.

Below is a list of the primary responsibilities of the Accounts Payable:

• Processes the American Express consolidated invoice/statement and issues payment within 14 calendar days from the billing cycle cut
• Processes the monthly general ledger interface file between the district’s financial system and the American Express reconciliation system
• Communicates with American Express regarding billing discrepancies and payment issues
4. PROGRAM CONTROLS & RESTRICTIONS

The P-Card Program provides various levels of controls and restrictions to help mitigate some of the risks inherent of a P-Card program, including card misuse, abuse, or fraud. The following list describes the primary controls and restrictions included in the Program:

4.1. LIMITED DISTRIBUTION

The P-Card has a very limited distribution within the District. Only select departments and users have been authorized to utilize the card. This maintains security and controls.

4.2. SUPPLIER & INDUSTRY CODE RESTRICTIONS

The Program allows for P-Card purchases to be restricted to a list of authorized suppliers ("Preferred Supplier List") and/or Industry Codes only (NOTE: Such restrictions may be unavailable or limited depending on the type of P-Card issued). Additional detail about these restrictions is explained below, as follows:

- **Preferred Supplier List (PSL):** One or more Preferred Supplier Lists can be created to restrict use by one or more cardholders to a pre-defined list of authorized suppliers (merchants). Restrictions can be applied down to the specific supplier location (business site) that is authorized under the Program. Attempts to purchase from a supplier not included in the Preferred Supplier List would cause rejection of the purchase attempt at the point-of-sale.

- **Industry Code Restrictions:** P-Cards can be customized to prevent purchasing transactions at businesses that fall under any of the following Industry Code categories:
  - Lodging (hotels)
  - Restaurant
  - Travel
  - Oil/Gas
  - Car Rental

Cards that are assigned any of the above Industry Code restrictions would not be able to make any purchases at any business falling under the respective Industry Code category. The District defines these restrictions and the Program Administrator communicates such restrictions to American Express for implementation on the cardholder accounts.

4.3. BUDGETARY CONTROLS

Another area of control includes budgetary restrictions and pre-established budget accounting codes, as follows:
4.3.1. Pre-Established Spending Limits

The P-Card program provides departments and cardholders the ability to limit spending based on pre-established departmental and district budgetary restrictions. Each cardholder’s P-Card may be customized with a unique spending limit to prevent overspending.

A Corporate Card is limited to setting up a maximum monthly spending limit or “monthly limit” (e.g. Maximum $1,000 monthly limit), while a traditional Purchasing Card (P-Card) can be customized with a monthly limit and/or a transaction limit.

In a Corporate Card or traditional P-Card with a predetermined monthly spending limit, the monetary balance on the card will be depleted throughout the month as new purchases are made with the card. Then, the monetary spending limit will reset to the monthly limit authorized on the card upon payment of the expenditures balance shown on the monthly statement.

In a Defined Expense P-Card, a monthly limit and/or transaction limit may also be applied. The difference with a Defined Expense P-Card is that the card works like a debit/check card with a pre-defined life-time limit, so the balance on the card diminishes as purchases are made and will not allow additional purchase once the balance is depleted or the purchase transaction exceeds the balance on the account. The life-time balance on a Defined Expense card may be increased by submitting an approved request to the Program Administrator.

4.3.2. Pre-Established Accounting Codes

Depending on your Departmental guidelines and the type of P-Card issued to you, your P-Card account and related purchases may default to a pre-established set of accounting codes. Pre-set Accounting codes help ensure that your purchases comply with the District’s budget guidelines.

4.4. Departmental Guidelines

Each department may have its own purchasing guidelines as to the authorized application for the P-Card, and users must become familiar with and abide by such guidelines. Please refer to the Appendix section to determine if your department has custom guidelines for use of the P-Card.

5. The P-Card Process

The basic process for utilizing the P-Card is outlined below:

1. Cardmember purchases material/service directly from the Supplier.
2. Supplier delivers material/service with proper documentation.
3. Supplier receives payment from American Express in as little as three (3) business days from the purchase transaction (assuming the merchant settled the transaction on its point-of-sale system on the same day of the purchase).
4. Cardmember uploads copies of all supporting documentation (i.e. Purchase receipts, order confirmations, packing slips, etc., as applicable) to the CAR system and affirms to making such purchases by reviewing and submitting each transaction for approval by the respective Transaction Authorizing Official.
Cardmember Manager. The Cardmember is also responsible for entering comments within CAR to further describe the nature of the purchase and/or to explain why such purchase was necessary.

5. **Accounting Manager** performs a final review and approval of the transaction budget codes referenced in CAR and ensures secure retention of all original records (i.e. Monthly credit card statement, copies of purchase receipts, packing slip, order/delivery confirmations, as applicable).

6. **Cardmember Manager** reviews and approves his/her assigned cardmember’s transactions (after review/reallocation by the cardmember or accounting manager, as applicable). Supervisor approval includes signing off on the purchase transactions on either the web-based CAR system or the hard copy credit card statement (which would need to be uploaded to CAR digitally by the cardmember or accounting manager). Approval by the supervisor signifies that the purchase transaction was authorized, necessary, and in compliance with the Card Use Guidelines.

7. **Accounts Payable** submits payment to American Express for all transactions within the current billing cycle. Payment to American Express is due by the 14th calendar day of each month.

**IMPORTANT:** All P-Card purchase transactions must be reviewed and/or approved by the Cardmember, Accounting Manager, Cardmember Manager, and Program Administrator is due by no later than ten (10) business days after the billing cycle close.

Cardmember’s can obtain their monthly statement online 48 hours after the billing cycle ends from American Express’ Manage Your Card Account website at www.americanexpress.com/checkyourbill. Cardmembers can also view and print transactions from the CAR tool. Monthly transactions must be reconciled by matching charges with supporting documentation such as itemized receipts, packing slips and invoices, as applicable.

6. **OBTAINING A PROCUREMENT CARD**

Eligible employees seeking a P-Card must contact the Program Administrator to obtain a soft copy of the **P-Card Request Form (Appendix A)** and **P-Card Cardmember Agreement (Appendix B)**.

The employee requesting a P-Card in his/her name must first review the P-Card Cardholder Agreement to familiarize himself/herself with the responsibilities of having a P-Card. Assuming that the employee is willing to accept the responsibilities of a cardholder, then the P-Card Request Form must be completed and signed by the employee and Department Head and submitted to the Program Administrator for consideration.

Assuming that the Program Administrator approves the P-Card request, the new P-Card will be ordered and American Express will process all cards and deliver them to the Program Administrator directly within 7 to 10 business days (approximately) from receipt of the order.

Upon receipt of the new card(s), the Program Administrator will set up a user profile for each cardholder and their corresponding Cardmember Manager and Accounting Manager within the @Work Reconciliation system.
The Program Administrator will then coordinate a new cardholder training session for participation by the cardholder(s) and their Cardmember Manager and Accounting Manager. Upon completion of the training, the Program Administrator will hand out the cards as the Cardmember, Cardmember Manager, and Accounting Manager sign the appropriate agreement forms (i.e. Cardholder Agreement, Cardmember Manager Agreement, and Accounting Manager Agreement).

*IMPORTANT: By signing the respective agreement, the employees fully recognize the seriousness of their responsibility to safeguard and properly use the P-Card as described in this manual and any corresponding departmental guidelines, as applicable. Abuse of the P-Card or violation of P-Card Policy may result in revocation of the card and will subject the employee to disciplinary action up to and including termination.

7. **ACTIVATING YOUR ACCOUNT**

Upon receipt of the card, the Cardholder must sign the back of the card. Prior to the initial use of the card, the Cardholder must also call American Express Customer Service at 1-800-362-6033 in order to activate the card account.

8. **ACCESS TO AMERICAN EXPRESS CORPORATE ACCOUNT RECONCILIATION (CAR)**

Upon receipt of a new P-Card, the Program Administrator will set up the new cardholder with access privileges to the Corporate Account Reconciliation (CAR) system, the American Express web-based transaction reconciliation tool. The Program Administrator will also ensure that the cardholder’s Supervisor and/or Accounting Manager (as applicable) has CAR access in order to sign off on the monthly reconciliation of each of his/her staff members.

9. **ACCEPTABLE/NON-ACCEPTABLE PURCHASES**

Your P-Card is not intended to avoid or bypass appropriate purchasing or payment procedures. Procurement bidding procedure requirements should be utilized as required and appropriate. The P-Card is intended to complement the existing processes available, and is not intended for after-the-fact payment.

9.1. **ACCEPTABLE PURCHASES**

You may use your P-Card at any merchant that accepts American Express. Use the P-Card for the purchase of any item or service that is allowed within the purchasing policies of the District AND the guidelines established by your department.

Please refer to Appendix C to view the P-Card purchasing guidelines established for your specific department, if applicable.
9.2. NON-ACCEPTABLE PURCHASES

The P-Card is to be used for authorized business-related purchases only. Unless otherwise indicated in your campus/departmental Card Use Guide, the following is a list of unauthorized, unacceptable purchases according to district policy:

- Personal purchases
- Purchases with federal funds or any grant funds
- Any purchases for goods and/or services not authorized within your campus/department Card Use Guidelines
- Any purchases that are required to be made through the use of a district Purchase Order (e.g. Fixed Assets), as required by district procurement requirements. Contact the Procurement Services department if you are unsure of purchases that require a Purchase Order
- Gift cards from any establishment for any reason
- Goods or services from contracted vendors (vendors awarded a district contract). Purchases from contracted vendors must be made through a duly authorized district Purchase Order
- Alcoholic beverages
- Prescription or over the counter medications
- Any purchase from an unauthorized vendor (a vendor not included in a Preferred Supplier List), if applicable.

IMPORTANT:

- It is agreed the employee will obtain and submit a detailed receipt for their purchases and will be held personally liable for any inappropriate purchases made while the card is in their care.

- Any misuse of the Card is considered a policy violation and will be subject to disciplinary action up to and including termination. If you are unsure whether a purchase is allowed, please contact the Program Administrator for clarification prior to making the purchase.

10. MAKING A PURCHASE

You are committing Spring ISD funds each time you use the P-Card. Do not take this responsibility lightly. Use the card with better care than you use with your own personal credit cards.

10.1. ORDER METHOD OPTIONS

Depending on the Merchant, you may have the option to make a District-related purchase in person at the Merchant’s place of business or phone, secure Internet site, or fax. Give the Merchant all of the necessary information to complete the purchase.
Never provide your credit card account number via e-mail, as e-mail is not a secure method of communication. If you make a purchase commitment via e-mail, you should provide payment via phone or fax only.

10.2. BILLING ADDRESS CONFIRMATION

The purchase documentation must state that this is a Procurement Card/Purchasing Card (P-Card) purchase. If a supplier asks for a billing address for your purchase, you must give them the following address:

16717 Ella Blvd.
Houston, TX  77090

You should request that the vendor send you a receipt to keep for your monthly P-Card reconciliation.  You will not send any of this documentation to the Accounts Payable Department for payment.

10.3. RECORDS RETENTION REQUIREMENTS

Documentation for all purchases must be kept for a period of five (5) years, or the maximum required by applicable federal, state, or local laws and regulations. This documentation must be retained in the department for two (2) years and subsequent files archived and stored as "P-Card" to allow easy accessibility. If there are multiple P-Cards and /or P-Card cardholders in a department, the documentation should be consolidated when archived.

10.4. SALES TAX EXEMPTION

As a school district, Spring ISD is exempt from sales tax, including purchases made with a P-Card. The Cardmember should inform the merchant of our tax-exempt status prior to placing the order. Any sales tax questions should be directed to the Program Administrator. You may obtain a copy of the district’s Texas Sales Tax Exemption Certificate from the Program Administrator.

If you find that you have been charged sales tax on a purchase, you must contact the merchant for a credit of such tax (ensure you obtain documentation displaying the tax has been credited in full to your specific P-Card account). The sales tax credit must be credited to your P-Card account (cash refunds are not acceptable).

Any sales tax paid by the Cardmember that is not credited back onto the P-Card account by the merchant is the liability of the Cardmember and must reimburse the district for such amount. The Cardmember must write a check for the sales tax amount in the name of “Spring ISD” and must deliver the check to the district’s Accounts Payable Coordinator.

Repeated instances of failing to provide a tax exempt certificate to the merchant at the time of the purchase may lead to suspension or termination of the card account, as well as disciplinary action.
10.5. NEW MERCHANTS

If there is a vendor that is interested in accepting American Express but is not set up to do so, you should e-mail the Merchant’s business name and contact information to the Program Administrator. The Program Administrator will then work with American Express to assess the possibility of establishing the Merchant for credit card processing. The incentive for the merchant is that they will receive payment in approximately three days following the transaction.

11. DOCUMENTING YOUR PURCHASE

It is mandatory that you retain all merchant receipts and other relevant supporting documentation for proper reconciliation of all purchases against the Corporate Account Reconciliation (CAR) system. You will be asked to provide such documentation if/when your files are audited.

Adequate documentation necessary for reconciliation consists of the following:

- For an in-store purchase, an itemized sales receipt
- For an online purchase, a copy of the online order confirmation and the original packing slip (or other delivery confirmation document listing the items purchased)
- For a phone or fax order, a written (e.g. e-mail) order confirmation from the vendor, an itemized invoice, and a packing slip (or other delivery confirmation document).

Invoices and detailed receipts are the most optimal documentation since they itemize your purchases and show if sales tax was charged. A Merchant’s entry system usually prints an automatic invoice with your processed order.

You should instruct the merchant to send the invoice to you and not to the Accounts Payable Department. If you purchase via mail or phone, ask the merchant to include the receipt with the goods when shipping the product. The receipt is the only original documentation specifying if tax was charged to the purchase.

Proper documentation will exhibit the following information:

- Vendor name
- Date of purchase
- Description, quantity, and unit costs for each item purchased
- Total cost of the order
- Cardmember name and/or last five digits of card number
- Transaction ID number

12. RETURNS, CREDITS AND DISPUTED CHARGES

Should a problem arise with a purchased item, or with billing, every attempt should be made to resolve the issue directly with the Merchant. Review of future statements is vital to ensure that the account is properly credited for returns, credits and disputed charges.
If you are unable to come to an agreement with the Merchant regarding a purchase made with your P-Card, call the Program Administrator. Reports must be made to American Express within sixty (60) days from the date of the transaction. The Program Administrator may also provide an additional level of assistance in helping to resolve any such disputed transaction by communicating with American Express directly.

**NOTE**: Failure to take immediate and appropriate action could result in a loss to your department and your charging privileges could be revoked.

### 13. LOST, STOLEN OR MISPLACED CARDS

If your P-Card is lost, stolen or you discover unauthorized charges on your account, immediately contact the P-Card Program Administrator at (281) 891-6471 and American Express at 1-800-492-4920.

Prompt action can reduce the District’s liability for fraudulent activity. If requested at the time of reporting the missing card, American Express will process a replacement card and place a block on the lost/stolen card to prevent any purchases. American Express will ship the replacement card to the Program Administrator to record the new card account within the CAR system. The Program Administrator will then distribute the card to the cardmember.

### 14. MISUSE / ABUSE OF CARD

Written documentation will be kept of any occurrences of misuse and will be maintained in the Program Administrator’s files. Misuse includes inappropriate use of the card or failure to reconcile within the required timeframe. Depending on the severity of the violation, if an employee is making purchases for which the purchasing card is not intended, the following actions may be taken in accordance with administrative regulation.

<table>
<thead>
<tr>
<th>OFFENSE</th>
<th>ACTION</th>
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<tbody>
<tr>
<td>First Offense</td>
<td>The employee will be counseled by the Cardmember Manager. The Cardmember Manager must provide documentation of counseling to the Program Administrator. The employee will be advised to “cease and desist” using the card outside of policy. The employee will also be advised of card suspension or cancellation if further violations occur.</td>
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<tr>
<td>Second Offense</td>
<td>Notification of second offense will be sent to the Program Administrator and the Executive Director of Procurement Services. The employee’s purchasing authority may be suspended, the card may be suspended or cancelled, and the employee will be subject to a written reprimand by the Cardmember Manager, which will be placed in the employee’s permanent personnel file.</td>
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### Third Offense

Notification of third offense will be sent to the Program Administrator and the Executive Director of Procurement Services. The employee’s purchasing authority will be revoked, permanent cancellation of the card will occur, and a written reprimand will be placed in the employee’s permanent personnel file. Depending on the brevity of the offense, further action may be taken by the district, in accordance with applicable district policies.

### Fraud Detected

Purchases violating State and Federal law will be referred to the Internal Audit Department. The employee’s purchasing authority will be revoked, the card will be immediately canceled, and termination of employment may occur. The District may also pursue criminal prosecution.

### 15. WHAT TO DO IF YOU TRANSFER OR TERMINATE

You are responsible for returning the P-Card to your supervisor before you transfer or terminate. Your supervisor will notify the Program Administrator, via e-mail, cut the card in two and return it to the Program Administrator.

If you transfer to another department, you will need to re-apply for another card under your new department’s management and attend the P-Card orientation again.

### 16. P-CARD PAYMENT

The P-Card Program carries District, not individual, liability except for improper use. Spring ISD pays the monthly statements except for charges where fraud is determined. The Program does not affect your personal credit rating in any way; however, American Express may be required to share your full name and other personally identifiable information to the federal government to comply with federal laws that require the review of cardholders for detection of terrorism and/or money laundering operations.

The P-Card billing system is an individual bill/central pay arrangement. Spring ISD will receive a periodic statement reflecting all Cardholder charges for the billing cycle. Accounts Payable will pay American Express the summary total.

### 17. MONTHLY TRANSACTION RECONCILIATION

The primary purpose of the monthly reconciliation is to ensure the proper expenditure of funds has occurred under the Program. Also, monthly reconciliation gathers data on how, where and for what the P-Cards were used to properly enhance the Program as needed. Finally, the review is done to ensure the system works as designed and is properly used.
It is the primary responsibility of you and your supervisor to make sure the review is done and the allocation of functions are accurately and promptly completed by the deadline determined by the Program Administrator each month.

17.1. BILLING CYCLE

The monthly billing cycle will usually end on or around the 28th of each month. All Approvers will be required to review and approve transactions in CAR no later than ten (10) business days after the billing cycle close. Corporate Card Holder transaction logs will be required to be reviewed and approved within the same time frame.

17.2. RECONCILIATION TOOLS

The following two (2) tools will be used to complete the reconciliation process efficiently and uniformly each billing cycle:

a. American Express @Work Reconciliation system (aka Corporate Account Reconciliation System or “CAR”): CAR is a web-based system that allows cardmembers to review, reallocate accounting information (if applicable), and reconcile their monthly transactions. The tool is also used to interface information to Spring ISD’s financial system, generate reports, and facilitate payment to American Express. Supplier transaction information is available via CAR within 48-72 hours after the supplier processes the transaction.

The @Work Reconciliation System can be accessed by clicking on the following Web link: https://reconciliation2.americanexpress.com/.

The Cardmember can perform the following functions within the reconciliation system:

- Verify that the transaction data from American Express agrees with your own personal record of the transaction (i.e. Receipts and/or other supporting documentation).
- Review additional purchase transaction data provided by the supplier for each transaction captured at the point of sale (Not all merchants provide additional levels of data other than the purchase amount, business name, business location, and date of purchase).
- Mark transactions as “Reviewed” and “Submit” them for approval.
- Supporting Documentation (e.g. Receipts, online confirmations, invoices, packing slips, etc.): Cardholders must ensure that the purchasing transactions shown within CAR match the supporting documentation to validate the accuracy of the transactions.

**NOTE**: Failure to review and or reallocate transactions (if applicable) for two billing cycles in any 12-month period may result in disciplinary action and/or revocation of your P-Card privileges.

b. Transaction Logs: Corporate Cardholders will utilize manual transaction logs which will confirm purchase authorizations and budget allocations. Each transaction will include supporting documentation and include the reconciliation process as indicated in the AMEX Reconciliation and Payment Process Procedure (attached as Exhibit A).
17.3. RECONCILIATION PROCESS (2-WAY MATCH)

The reconciliation is essentially a 2-way match process, ensuring that all purchase documentation matches the purchasing activity recorded in the American Express reconciliation system.

Once the billing cycle closes (the 28th of each month), you will receive an e-mail reminder that the billing period has ended. It is essential that each role involved in the review and approval of P-Card transactions perform their respective review/approval process within **two (2) business days** from the date the transactions were reviewed by the previous approver. All approvals are due no later than ten (10) business days after the billing cycle close.

- **Step 1: Collecting & Retaining Appropriate Supporting Documentation**
  
  Upon making a purchase, be sure that the Merchant provides you an appropriate form of documentation that will serve as support to your purchase. Common acceptable forms of purchase confirmation include receipts, invoices, online order confirmations, packing slips, etc. Archive all P-Card related documentation in a folder and make sure to upload a digital copy of each supporting document into the @Work Reconciliation system (**IMPORTANT**: Make sure that each file uploaded into the system is legible).

- **Step 2: Reviewing & Approving the Purchase Transactions in CAR**
  
  As indicated previously, transaction information is usually available in the @Work Reconciliation system within 48-72 hours after the supplier processes the transaction.

  1. The **Cardmember** (cardholder) should login to the reconciliation system regularly to ensure timely posting of recent purchases. Individual transactions must be reviewed to ensure accuracy of the date of purchase, merchant name, purchase description, purchase amount, etc. Validated transactions should be marked as “Reviewed” by the cardholder and should be “Submitted” for review by the Accounting Manager and approval by the Cardmember Manager. Reviewing and submitting a transaction for approval indicates the cardholder has verified the accuracy of the transaction.

  2. The **Accounting Manager** then reviews the transactions in @Work Reconciliation and ensures they are allocated to the appropriate budget account code. The Accounting Manager will also ensure all documentation is retained securely over the required record retention period, in accordance with applicable laws and regulations and local policies and procedures. The Accounting Manager must also approve each transaction for review and approval by the Cardmember Manager.

  3. The **Cardmember Manager** now reviews and approves the transactions within @Work Reconciliation as the final approver. Approval by the Cardmember Manager signifies that the purchases were valid and necessary and complied with the P-Card Program guidelines and campus/departmental guidelines.

  4. This reconciliation process is subject to audit by the Program Administrator and the Internal Auditor.

**NOTE:** Cardholders who fail to reconcile twice in any 12-month period may have their P-Card privileges revoked.