

Purchasing Card (P-Card) Training

Rev. 04.10.2017

Procurement Services



Training Overview

- What is a Procurement Card (P-Card)?
- Benefits of using a P-Card
- Spring ISD P-Card Use Policy
- Roles & Responsibilities
- Program Controls & Restrictions
- Reconciliation via @Work Reconciliation System
- Questions



What is a P-Card?

- Credit card with various levels of control not available with a standard T&E corporate credit card
- District liable for all authorized expenses
- Cardholder accountable for expenses
- No impact to your personal credit



Benefits of Using a P-Card

- **CONVENIENT** – Like having the Purchasing dept in your pocket (it's there when needed)
- **EFFICIENT** – Eliminates the need for cash reimbursements
- **COST-EFFECTIVE** – Centralized billing and payment
- **VENDORS PAID PROMPTLY** – Vendors paid within 3 business days
- **CUSTOMIZABLE** – Each P-Card may be customized to meet the needs of the department and the individual user

District Policy (Card Usage)



- Use with any vendor that accepts American Express
- Used for **department authorized expenses** only
- Each card loaded with pre-approved “**Monthly Limit**” and “**Transaction Limit**”
- Use of the P-Card is **not intended to avoid or bypass the appropriate purchasing or payment procedures established by the District**
- The District has the authority to revoke a card and all its privileges from cardholders at any time for any reason



NO EXCEPTIONS TO THE FOLLOWING:

- Purchases not supported by an itemized receipt will not be accepted (Cardholder will need to reimburse the District)
- Purchases with sales tax charges will require cardholder to reimburse the District for the tax amount (*show your tax exempt certificate at time of purchase*)
 - *Some exceptions apply (i.e. Restaurants).*
- Do not let anyone else use your P-Card
- Gratuities are reimbursable up to 15%
- Complete the monthly reconciliation within the time frame provided

District Policy (Card Usage) - cont'd



DISCIPLINARY ACTION:

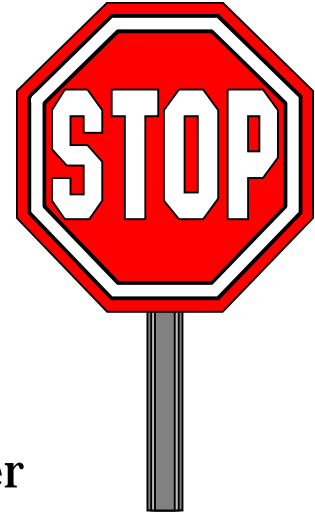
OFFENSE	ACTION
First Offense	The employee will be counseled by the Cardmember Manager. The Cardmember Manager must provide documentation of counseling to the Program Administrator. The employee will be advised to “cease and desist” using the card outside of policy. The employee will also be advised of card suspension or cancellation if further violations occur.
Second Offense	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.
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.

District Policy (Card Usage) - cont'd



UNACCEPTABLE PURCHASES:

- Any personal purchases
- Cash advances/disbursements
- Gift cards
- Purchases that should be made with a Purchase Order
- Alcoholic beverages
- Transactions not authorized by departmental guidelines



This list is not all-inclusive and is subject to change.

IMPORTANT: Card abuse and/or failure to follow District approved P-Card policy may be grounds for disciplinary action up to and including termination

Roles & Responsibilities

- **Program Administrator**
- **Cardmember (cardholder)**
- **Department Head**
- **Cardmember Manager (Card Manager)**
- **Accounting Manager (Bookkeeper)**
- **Accounts Payable**

Roles & Responsibilities - cont'd

PROGRAM ADMINISTRATOR

- Administers the P-Card program
- Requests and distributes new P-Cards
- Manages transaction limits
- Liaison between District and American Express
- Trains new cardholders
- Updates and enforces P-Card policy
- **Enforces proper use of P-Card and applies appropriate disciplinary action, as needed.**

Roles & Responsibilities - cont'd

CARDHOLDER

- District employee authorized to use P-Card
- Secures card and card number at all times
- Adheres to District policy for the use of the P-Card and for processing purchases
- Performs authorized transactions with approved suppliers only (if applicable)
- Validates all purchases

Roles & Responsibilities - cont'd

CARDHOLDER (cont'd)

- **Gathers and submits supporting documentation for each purchase transaction**
- **Resolves charge disputes with vendors and ensures credits are processed**
- **Reconciles account transactions in a timely manner**

Roles & Responsibilities - cont'd

DEPARTMENT HEAD

- **Authorizes the use of the P-Card program within the department**
- **Authorizes monetary spending restrictions allocated to each cardholder**
- **Enforces policies & procedures of the program and applies disciplinary action, as necessary**

Roles & Responsibilities - cont'd

CARDMEMBER MANAGER (Principal, Director, or above)

- Designates authorized cardholders
- Enforces proper use of P-Card and applies disciplinary action
- **1st Approval Level** – Verifies purchased items are in compliance with departmental guidelines.
- Signs off on cardholder's account reconciliation (Transaction Log and in CAR system).
- Ensures retrieval of card upon termination and promptly notifies the Program Administrator of employee termination
- Retains P-Card purchase records for the mandatory **5-year retention period**

Roles & Responsibilities - cont'd

ACCOUNTS PAYABLE

- Ensures accurate posting of P-Card transactions to the appropriate General Ledger accounts
- Submits payment to American Express in a timely manner to avoid penalties
- May audit records, as necessary

Program Controls & Restrictions

SUPPLIER & INDUSTRY CODE RESTRICTIONS

- P-Card will only work with District pre-approved vendors (if applicable)
- Vendors may be restricted by Merchant Category Code (MCC code)
- Vendors may be restricted by vendor name and even specific vendor location (if applicable)

Program Controls & Restrictions - cont'd

BUDGETARY & OTHER CONTROLS

- **Pre-established “spend-down” limits custom to each cardholder account (limits may be adjusted to meet department/cardholder needs with proper approval)**
- **Default budget codes eliminate/reduce data entry errors**
- **Cards may be suspended/canceled by Program Administration with the click of a button**

Making a Purchase

- **ORDER METHODS** – Retail location, phone, or Internet.
Never allow anyone else to use your card on your behalf and don't submit your P-Card account number via e-mail
- **SALES TAX EXEMPTION** – Like any other District purchases, P-Card purchases are sales tax exempt. Ensure you provide tax exemption certificate to vendors prior to making a purchase, where applicable.

Making a Purchase (cont'd)

- **PURCHASE DOCUMENTATION** – Ensure that vendor provides you with the most detailed purchase documentation possible. Examples of acceptable purchase documentation include:
 - Receipts with line item detail
 - Invoices with line item detail
 - Packing Slips with line item detail
 - Online purchase confirmation with line item detail

Reporting Lost, Stolen, or Misplaced Cards

- **Cardholders** are solely responsible for ensuring the security of their assigned P-Card
- Lost, Stolen, or Misplaced cards must be reported **immediately** to American Express by calling **1-800-492-4920** (Also send an e-mail to your Supervisor and copy the Program Administrator). American Express will issue a new card to the member and will place a block on the former card.

What to Do if You Transfer or Terminate Employment

- If you transfer to another department or terminate employment at Spring ISD, your card must be cut in half and turned in to the Program Administrator
- Transferred employees eligible for a P-Card must reapply for a new card through their new department

Reconciling Transactions within @Work Reconciliation System

@Work Reconciliation is a web-based tool that automates the statement reconciliation process with the following features:

- Increases end user convenience and productivity
- Provides 24/7 access to your purchase transactions
- Enables Cardmember, Accounting Manager, and Card Manager to view, add detail, edit and reallocate budget codes (as applicable)
- Increases accuracy of account coding and reduces accounts payable costs

Monthly Account Reconciliation

- **Billing cycle** ends on the **28th day of each month**
- **Cardholders** must upload receipts electronically into @Work Reconciliation system and submits transactions for review by Accounting Manager
- **Accounting Manager** reviews transactions and ensures budget code allocations are accurate
- **Card Manager** is the ultimate approver for all transactions and ensures purchases are compliant with P-Card program and District guidelines.
- **Program Administrator** audits transactions to ensure compliance with the P-Card program guidelines.

End of presentation.

Questions?

Thank You

