

PARKWAY SCHOOL DISTRICT

Business Purchasing Card Process Manual

August 2017

OVERVIEW

HOW TO OBTAIN A PURCHASING CARD

GENERAL INFORMATION

ACCEPTABLE PURCHASING CARD EXPENDITURES

UNACCEPTABLE PURCHASING CARD EXPENDITURES

PROGRAM RESTRICTIONS (Credit limits, changes to limits)

SCHOOL AND DEPARTMENT SPECIFIC ACCOUNTS

RECONCILIATION AND APPROVAL PROCESS

SALES TAX

HOW TO REPORT A LOST OR STOLEN CARD

HOW TO CANCEL A CARD

CARD RENEWAL

SUMMARY

OVERVIEW

The Parkway School District currently participates in a Business Purchasing Card Program provided by UMB Bank. The purchasing card is a simplified and cost-effective method of purchasing and remitting payment for approved expenditures. Authorized district employees may use purchasing cards issued to the district to make purchases for the district, or to pay for reasonable travel expenses and other reasonable expenses incurred when performing job duties.

Reference the full district purchasing policy (DJF) and Administrative Procedures (DJF-AP2) to ensure that all purchases of supplies, equipment and services are made in compliance with state and federal law and good business practices.

This manual provides the guidelines under which the purchasing card may be used. Please read it carefully before requesting a purchasing card. The manual will provide a variety of information including:

- How to obtain a purchasing card
- The types of purchases that can and cannot be made on the purchasing card
- Reconciliation and record maintenance
- Other miscellaneous information

The required signature on the Business Purchasing Card Agreement indicates the understanding of the intent of the program and agreement to adhere to the established guidelines. Upon successful completion of training provided by the Program Card Administrator on applicable procedures for card use, and after receipt of the signed Agreement, authorized district employees will be issued a purchasing card.

Record keeping will be essential to ensure the success of the program. Documentation, including receipts and the appropriate budget code, will be produced in a timely manner for each item purchased. The Director of Sustainability and Purchasing or the Program Card Administrator will confiscate the purchasing card of any employee who fails to provide the mandated documentation when required and will notify the Superintendent.

HOW TO OBTAIN A PURCHASING CARD

- Print and complete the Business Purchasing Cardholder Agreement.
- The requested cardholder's principal/department supervisor must indicate approval by signing the Business Purchasing Cardholder Agreement.
- Forward the completed Agreement to the Program Card Administrator in the Purchasing Department.
- The Program Card Administrator will acquire the card from UMB Bank and will notify the requester when it is available. At that time, cardholder training will be scheduled.
- After successful completion of cardholder training, the authorized district employee will receive their purchasing card and should sign the back of the card immediately.
- The cardholder will also be required to sign the New Card Acknowledgement Form confirming receipt of the purchasing card.
- The cardholder will need to follow the directions on the sticker of the purchasing card to activate it. The PIN number, as discussed in training, will be required for activation.
- All employees issued a district card must take all reasonable measures to protect the card against damage, loss, theft or misuse.
- Although the card is issued in the district employee's name, it is the property of the Parkway School District and is only to be used for purchases that benefit the district as defined in this manual.

GENERAL INFORMATION

- Any employee using a district card shall sign a card usage agreement and will receive training on applicable procedures for card use.
- Only the authorized employee to whom the card is issued may use the district card.
- All employees issued a district card must take all reasonable measures to protect the card against damage, loss, theft or misuse. Any damage, loss, theft or misuse of the card must be reported to UMB Bank and to the Program Card Administrator.
- The purchasing card may be used at any merchant that accepts Visa Credit cards within the district's restrictions. (No gift cards.)
- District cards will not be used to purchase personal items, unauthorized items or items that do not benefit the district.
- District employees will not use the purchasing cards to circumvent the bidding and purchasing requirements established by law and Board policy. Staff members may not artificially divide purchases to avoid bidding requirements.
- District employees issued a purchasing card must provide documentation, such as receipts and applicable budget codes, justifying expenditures.
- All purchases made using the district cards must be attributed to the appropriate budget code and must conform to the Board-adopted budget.
- Orders placed without prior authorization or purchases made in violation of the district's purchasing policy or procedures are the individual's responsibility and liability. Payment of such obligations is not the district's responsibility.
- District employees will surrender all district cards when their employment or term ends, or upon demand by the district.

ACCEPTABLE PURCHASING CARD EXPENDITURES

- Office supplies
- Food for use in curriculum
- Authorized online purchases
- Travel expenses

UNACCEPTABLE PURCHASING CARD EXPENDITURES

- Personal items
- Cash advances
- Building construction or repair services
- Telephone calls or cellular phone charges
- Medical services
- Legal services
- Alcoholic beverages
- Tobacco products
- Gasoline for a privately owned vehicle.
- Leaving a gratuity that exceeds 20 percent
- Gift cards

This list is not intended to be all-inclusive. If you have specific questions, please call the Program Card Administrator or the Director of Sustainability and Purchasing for assistance.

PROGRAM RESTRICTIONS (Credit limits, changes to limits)

The Board will approve which employee positions will be issued district purchasing cards and the limitations for the district. The Superintendent or designee, in consultation with the Director of Sustainability and Purchasing, will annually review and revise the list of persons receiving district cards and the limitations on those cards. The annual review will ensure that only the employees who appropriately utilize the cards have access to them, and that the limitations on the cards do not exceed the amounts of the projected expenditures to be made with the cards. The Board will annually approve applicable modifications for the district prior to implementation.

The purchasing card will be accepted for purchases of generally approved Parkway School District commodities. Business and services determined not to offer products commonly accepted by Parkway School District’s use have been blocked from accepting the purchasing card. Limiting the acceptable Merchant Category Codes does this.

Levels of credit authorization are in place to clearly define the individual purchasing limit controls. The following credit limits have been established for various employee groups. Each designated level will have a transaction limit and a monthly limit.

Employee Level	Transaction Limit	Monthly Credit Limit
Superintendent / Director of Sustainability & Purchasing	\$7,500	\$15,000
SAT Administrators	\$5,000	\$10,000
Directors, Principals, Managers, & Coordinators	\$3,500	\$7,500
All Others, School/Department Accounts	\$3,500	\$3,500

If a purchase has been declined by a merchant and the cardholder feels the decline should not have occurred, please contact the Program Card Administrator at (314) 415-8254 to determine why the transaction was declined.

All requests and limit changes must be approved by the district employee’s supervisor and executed by the Program Card Administrator. UMB Bank will only take direction from the Program Card Administrator.

SCHOOL AND DEPARTMENT SPECIFIC ACCOUNTS

- Purchasing cards will be designated to certain schools/departments for use by identified users that have infrequent but necessary needs. In these instances, purchasing cards are a more secure method of payment than utilizing petty cash.
- The Budget Secretary for the assigned school/department will be responsible for maintaining a check-out list for the purchasing card.
- Every employee requesting use of the school/department card will be required to sign the Business Purchasing Card Agreement, indicating their understanding of the intent of the program and agreement to adhere to the established guidelines.
- Upon successful completion of training provided by the Budget Secretary on applicable procedures for card use, and after receipt of the signed Agreement, authorized district employees will be allowed to check-out a purchasing card for a given amount of time, depending on the reason for use.
- All employees in possession of a district card must take all reasonable measures to protect the card against damage, loss, theft or misuse.
- The school/department card is the property of the Parkway School District and is only to be used for purchases that benefit the district as defined in this manual.
- Only the authorized employee to whom the card is checked-out to may use the district card.

Record keeping will be essential to ensure proper reconciliation of the school/department purchasing card. Documentation, including itemized receipts and the appropriate budget code, must be produced in a timely manner for each item purchased. The Director of Sustainability and Purchasing or the Program Card Administrator will prohibit use of the purchasing card of any employee who fails to provide the mandated documentation when required and will notify the Superintendent.

RECONCILIATION AND APPROVAL PROCESS

- ❖ To facilitate the reconciliation and approval process, the cardholder is responsible for keeping all documentation, including credit card receipts, cash register receipts or itemized invoices.
- ❖ Sales receipts should be given to the budget secretary for your school/department immediately following the purchase.
- ❖ The budget secretary will reconcile the purchasing card statement in MUNIS. They will assign the appropriate account code and attach the receipt to the transaction.
- ❖ **Failure to provide an itemized receipt will result in the purchaser being liable for the payment.**
- ❖ The Director of Sustainability and Purchasing or the Program Card Administrator will confiscate the purchasing card of any employee who fails to provide the mandated documentation when required and will notify the Superintendent.

- UMB Bank will send a monthly purchasing card statement to the Finance Department to reconcile.
- Finance will notify the budget secretary when the monthly statement is available in MUNIS.
- The budget secretary should review these statements for discrepancies and notify the Finance Department of any disputed items.
- The budget secretary must provide any receipts immediately in order for the bill to be paid promptly.
- If a receipt is missing it is the responsibility of the purchaser to obtain a copy of the receipt, or they will be held liable for reimbursement to the district.
- If any items are not recognized, contact the vendor before the statement is sent to Finance for payment. If resolution does not occur, contact UMB Bank at (888) 494-5141. They will review the transaction and provide a Dispute Form for the cardholder to review, sign and return for resolution with the vendor.
- The reconciliation process must be completed within the time frame specified by the Finance Department. Failure to do so may result in the cancellation of the card.

SALES TAX

Merchants are usually required by taxing authorities to include sales tax when goods are purchased. The amount is dependent on a variety of factors, including the state and city where the goods are purchased from.

Purchases of items by public schools for their own use are generally exempt from sales tax. The exemption applies to the public schools, not to the individual.

The Parkway School District, as an agency of the state of Missouri, is exempt from Missouri sales and use tax.

Information on the School District's tax-exempt status, including the tax exempt number appears on the front of the Procurement Card.

A copy of the tax exempt letter may be obtained from the budget secretary for the cardholder's school/department.

It is the **cardholder's responsibility** to notify the merchant prior to the purchase that Parkway School District **is tax exempt**. Our Missouri state tax exempt number is “(xxxxxxxx)”.

The cardholder will be responsible for getting any erroneous sales tax removed or they will be liable for those expenses.

HOW TO REPORT A LOST OR STOLEN CARD

The purchasing card is the property of Parkway School District and all persons issued a district card must take all reasonable measures to protect the card against damage, loss, theft or misuse.

If a purchasing card is lost or stolen, immediately notify UMB Bank customer service at (888) 494-5141. When calling customer service, be prepared to provide your PIN number as discussed in cardholder training. Upon notifying UMB Bank, the card will be deactivated immediately. If the card is reported lost or stolen and is later used, the merchant will decline it. Prompt action in these circumstances is very important to reduce Parkway School District's liability for fraudulent charges.

Next, notify the Program Card Administrator at (314) 415-8254 of the situation. A replacement card will be ordered from UMB Bank. The cardholder will be notified once it is received. The cardholder must sign and return a Replacement Card Acknowledgement Form to confirm the receipt of the replacement purchasing card. If the lost or stolen card is recovered, it is the cardholder's responsibility to destroy the card.

HOW TO CANCEL A CARD

If an employee leaves the school/department or assumes different duties that do not require the use of the purchasing card, the employee or their supervisor is responsible for notifying the Program Card Administrator immediately by email. They are also responsible for retrieving the card, cutting it in half, and sending it to the Program Card Administrator in the Purchasing Department in a confidential envelope.

If a cardholder moves to another school/department, notify the Program Card Administrator immediately, who will then notify the Accounting Supervisor. The new school/department supervisor must approve the employee retaining the purchasing card by signing a new Business Purchasing Cardholder Agreement. If it is determined that a purchasing card is not needed in the employee's new role, the employee must return the card by cutting it in half and sending it to the Program Card Administrator in the Purchasing Department in a confidential envelope.

CARD RENEWAL

A renewal card will automatically be mailed to the Program Card Administrator prior to the expiration. The cardholder will be notified once it is received. It is the cardholder's responsibility to destroy the expired card upon immediate receipt of the renewed card. The cardholder must sign and return a Renewal Card Acknowledgement Form to confirm the receipt of the new purchasing card.

SUMMARY

The Parkway School District Business Purchasing Card Program is an opportunity to reduce paperwork, expedite the purchasing process at the department level and reduce Parkway School District's administrative expenditures.

The district expects all staff members to comply with the letter and intent of all district policies and procedures regarding purchasing. Exercise good judgment and act within the authorized budget when using the purchasing card. The card is issued in your name and all activity will be assumed to have been incurred by you. Maintaining accurate records and receipts for auditing purposes is important.

If you have any questions about the program or need additional information, please contact:

Tiffanie Brooks
Program Card Administrator

(314) 415-8254
Phone

tbrooks@parkwayschools.net
Email

UMB Bank
Purchasing Card Issuing Bank

(888) 494-5141
Customer Service

Purchasing Card Billing Address:
455 N. Woods Mill Road
Chesterfield, MO 63017