

PROCUREMENT CARD PROGRAM

EFFECTIVE: 9/01/2011

INTRODUCTION

The procurement card program provides a more rapid process for purchases while reducing paperwork. Using the Procurement Card Purchasing System (PCPS) drastically shortens the payment cycle from the traditional requisition process which includes pricing, inquiry, order placement, delivery of goods, invoice and voucher review. This program will eventually decrease check requests and reduce the administrative cost of issuing small dollar purchase orders.

The Procurement Card is a Bank of America Visa Card issued in the employee's name with Moore County Schools' name clearly indicated on the Card.

DEFINITIONS

Administrator: the person (Accounts Payable Manager) responsible for all program details, including all cardholder inquiries

Manager: the person (Principal or Department Head) who reviews and approves a cardholder's monthly statement of account

Cardholder: personnel who have been issued procurement cards and authorized to make purchases in accordance with these procedures

Requisitioner: an employee who has a need for materials that can only be fulfilled by a vendor (Under the Procurement Card Purchasing System, a requisitioner may be a cardholder.)

Single Purchase Limit: a dollar amount limitation of purchasing authority delegated to a cardholder (This dollar limit may vary from cardholder to cardholder.)

Statement of Account: the monthly listing of all transactions by the cardholder, issued directly to the cardholder by the bank

Vendor: a company from which a cardholder is purchasing materials under the provisions of this procedure

RECEIVING A PROCUREMENT CARD

Managers may propose personnel to be cardholders by contacting the Procurement Card Administrator (Accounts Payable Manager). The proposed cardholder shall be issued a copy of these procedures and shall be required to sign the Procurement Card Employee Agreement/Enrollment Form once the card is picked up in Finance. The agreement indicates that the cardholder understands the procedures and purchase order restrictions and other responsibilities of a PCPS cardholder. The new cardholder is also provided guidance on their spending limits at this time.

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AUTHORIZED PROCUREMENT CARD USE

Upon receiving a procurement card, instructions will be enclosed to register the cardholder and the card online. Make sure to take this step, as you will be able to monitor all activity via the internet. The unique procurement card that the cardholder receives has his/her name embossed on the card and shall ONLY be used by the cardholder. **No other person is authorized to use that card.** While cardholders may make transactions on behalf of others in their school/department, they remain responsible for all use of the card.

PROCUREMENT CARD USES

The Procurement Card may be used for:

- Instructional Supplies
- Office Supplies
- Workshop Supplies
- Other approved items
- Approved Department Purchases
- Approved Airline tickets/baggage/parking
- Postage

PROCUREMENT CARD LIMITATIONS

The Procurement Card shall **NOT** be used for the following:

- personal purchases or identification
- a single purchase that exceeds the cardholder's single purchase limit, do not split into multiple transactions to circumvent spending limits
- cash advances (telephone calls/monthly service)
- contractor payment
- travel related fuel/meals (use Travel Reimbursement form)

UNAUTHORIZED PURCHASES

A cardholder who makes unauthorized purchases or carelessly uses the procurement card may be liable for the total dollar amount of such unauthorized purchases, plus any administrative fees charged by the bank in connection with the misuse. The cardholder will also be subject to disciplinary action.

MANAGER'S RESPONSIBILITIES

The Manager shall:

1. Propose personnel to be Cardholders by emailing the Accounts Payable Manager.
2. At the beginning of each fiscal year, each manager is notified of the local funds allotted to their school/department. Each time a local budget code is used, the amount is taken from your allotment. If you receive Federal money, the same applies to your Federal allotment. Payment by school check does not affect your local allotment.
- 3 Review monthly
 - Cardholders monthly statement

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- Cardholders monthly summary form
- Receipts, invoices, sales slips, etc
- Compare monthly summary form and documentation to the statement
- Sign monthly summary form and statement; by signature the Manager is verifying:
 - receipt of goods
 - that the Cardholder was authorized to make the purchase
 - that cardholder complied with all procedures
 - funding is encumbered to cover expense.
- 4. Forward to the Accounts Payable Manager, monthly statement and monthly summary form, supporting documents (invoices, receipts, sales slips, etc) no later than seven days after monthly closing date (including holidays). **Monthly closing date is the last day of each month.**
- 5. Request Accounts Payable Manager to cancel a Cardholder's Card (e.g. terminated employees, transferring departments, loss of Procurement Card privileges).
- 6. Maintain copies of all records - available for audit for five (5) years

The procurement card will be revoked if the above procedures are not followed by the Manager. The careful matching of complete support documents to the statement is vital to the successful use of this program.

CARDHOLDER RESPONSIBILITIES

1. Ensure the Procurement Card is used for legitimate business purposes only.
2. Maintain the Procurement Card in a secure location at all times.
3. **Do not allow other individuals to use their Procurement Card.**
4. Obtain Manager (Principal/Department Head) approval prior to making a purchase.
5. Adhere to the purchase limits and restrictions of the Procurement Card.
6. Reconcile all invoices, sales slips, register receipts, and/or Procurement Card slips to the Monthly Transaction Logs, and the Bank of America Bank Cardholder statement. Bank of America Bank Cardholder statement will be accessible online. If receipt does not indicate quantity and description, provide information on a separate sheet attached to the receipt.
7. Submit to Accounts Payable the Monthly Summary Forms, Bank of America Cardholder Statement and supporting receipts/invoices for approval.
8. Attempt to resolve disputes or billing errors directly with the supplier. Always complete a dispute form, found on back of bank statement, and submit to address indicated on form with a copy to the Finance Office. If the dispute or billing error is not satisfactorily resolved within one month, advise the Finance Office.
9. Ensure that appropriate credit for the reported disputed item or billing error appears on a subsequent Cardholder statement. **DO NOT ACCEPT CASH IN LIEU OF A CREDIT TO THE PROCUREMENT CARD ACCOUNT.**
10. Lost or Stolen Card
 - a. Contact Bank of America Bank at 1-800-822-5985, available 24/7
 - b. Notify Accounts Payable or anyone in Finance
11. Return the Procurement Card to Accounts Payable if requested to do so for any reason, upon terminating employment with Moore County Schools or transferring to another school/department within Moore County Schools.
12. Maintain copies of all records.

The procurement card will be revoked if the above procedures are not followed by the Cardholder. The careful matching of complete support documents to the statement is vital to the successful use of this program.

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LACK OF DOCUMENTATION

If the cardholder does not have documentation of a transaction listed on the monthly statement, per the MCS Procurement Card Employee Agreement Form, a personal check is required. The continual lack of documentation will result in revoking Cardholders Procurement Card

MAKING PROCUREMENT CARD PURCHASES

Procurement card procedures allow purchases from the best available source but the transaction and spending limits should not be violated. This implies the possibility of not comparing sources or competition between vendors. However, it is also policy to seek competition and the lowest prices within the parameters of quality and delivery.

PLACING PROCUREMENT CARD ORDERS

Once a vendor is designated and that vendor confirms that the goods or materials are available and meet the specification and delivery requirements, take the following steps:

1. Request the following information be included on the shipping label and/or packing list:
 - Cardholder's name and telephone number
 - Shipping address: Cardholder's school/department location address - **NO deliveries to home addresses**
 - The words "Procurement Card Purchase"
 - Vendor order number (confirmation, shipping or invoice number)
2. Print order confirmation, if ordering on internet, or make copy of catalog order form
3. Sales Tax must be taken into consideration for the purchase of goods. **Moore County Schools is not tax exempt.** Vendors located in North Carolina should include sales tax to the order. If vendor is located outside North Carolina and does not charge North Carolina sales tax, the MCS Finance Department will pay amount of sales tax due directly to the State of North Carolina. This amount will be deducted from funds encumbered on the purchase order.
4. If the company sends an invoice with the shipment, it is for information purposes only, DO NOT PAY.
5. If necessary, advise the individual within your area who receives merchandise of the vendor's name and order number, anticipated delivery date, number of boxes expected, and carrier (UPS, FED EX, etc.)

If you attempt to make a purchase and the card is denied, contact Accounts Payable within three days with the company name, date and amount of the charge. This will allow us to determine the reason for the denial and make needed corrections.

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RECEIVING GOODS

After the order has been received by the Cardholder

1. Check shipment for accuracy
2. Maintain the packing slip with the order confirmation.
3. If there are, problems with the order, missing items, duplicate items, damaged items, etc, contact the vendor directly to resolve the problem. See Cardholders Responsibilities, page 3, for information on Dispute information.

RECONCILIATION

Cardholder:

- Obtain copy of statement online through Bank of America website. Statement should be available the first day of each month (unless first day falls on weekend)
- Compare Monthly Summary Form to invoices, sales slips, register receipts, etc. and Bank of America statement.
- Make note of any disputed charges
- Sign and date Monthly Summary Form and Bank of America statement and submit to Manager for review and approval

Manager:

- Review documentations provided by cardholder (Bank of America statement, Monthly Summary Form, invoices, sales slips, register receipts, etc) and verify that prior approval was obtained and funding is encumbered
- Sign and date Monthly Summary Form and Bank of America Statement
- Submit to Accounts Payable within seven (7) days after monthly closing date.