

No. 624-AR  
SCHOOL DISTRICT OF SPRINGFIELD  
TOWNSHIP

624 PROCUREMENT CARDS

Requesting a Procurement card

1. Procurement cards will be issued to School District of Springfield Township employees who are approved to frequently purchase low-dollar goods or services.
2. All requests for Procurement cards must be submitted by the respective Administrator to the Business Administrator on a Procurement card Application Form. No credit checks are made against individual Cardholders.
3. The Business Administrator will review the application and, if approved by him, coordinate the issuance of the Procurement card with the respective Administrator, and notify the Cardholder of the next available Procurement card training session.
4. The Bank issues the Procurement card and mails it to the Business Administrator. The Business Administrator will write "See photo ID" in the signature space on the back of each card.
5. The Cardholder attends a mandatory Procurement card Program training session, signs the Cardholder Agreement form, receives a Procurement card, VISA Cardholder Agreement, and a copy of the Procurement card Operational Regulation.
6. The Cardholder Agreement form will be retained in the Business Office.

General Instructions for use of the Procurement card

1. Order Placement
  - a) The cardholder will contact a supplier from the approved supplier list, in person, through an eCommerce web site, or via phone or fax, and provide the following information:
    - i) Name, Bank Procurement card Number, and the Card Expiration Date.
    - ii) A complete description of the items to be purchased including stock/catalog numbers where available.
    - iii) Ship-To-Location including School or Office Name and complete street address.
    - iv) Inform merchant that School District is tax-exempt and that a tax exemption certificate will be provided upon request.
    - v) After the order is placed, the cardholder shall ask for the order/reference number.

- b) If ordering by fax, the cardholder must still specify on the fax transmittal the above information with the EXCEPTION of the Procurement card Number. The cardholder must request the supplier to call to obtain the card number upon receipt of the fax transmittal. Under NO circumstances shall a card number be written on a faxed order.
- c) The cardholder will receive the items and a sales receipt or packing slip.
  - i) All documentation including the sales receipt and/or packing slip must be held for reconciliation for auditing purposes.
  - ii) The cardholder must make note of the ultimate use of the item for future reference.
- d) At the end of each month, the cardholder will receive a memo statement of the month's purchases.
  - i) This memo statement is not an invoice for the cardholder to pay. The Business Office will pay the Bank directly.
  - ii) If all items on the report match the receipts and/or packing slips, the statement should be attached to the appropriate receipts and given to the Administrator with Budgetary Authority for filing.
- e) It is important to remember that each cardholder is responsible for the validity of the purchases.

## 2. Card Limits

- a) The Business Administrator will set limits for each cardholder: dollar amount per transaction (single or multiple items), number of transactions (authorizations) per day, and the dollar amount per billing cycle. The limits shall, generally, be as follows:
 

Single per Transaction Limit:	TBD (but less than \$1,000)
Transactions/Authorizations per Day:	TBD
Billing Cycle (Monthly) Limit:	TBD (but less than \$4,000)
- b) Purchases beyond the "Single per Transaction Limit" must be made in accordance with the State Statutes. The Procurement card may be used as a method of payment for purchases exceeding \$4,000. Such exceptional purchases will conform to the Pa. School Code and require the appropriate approval of the immediate supervisor prior to purchase.
- c) Charges for purchases shall not be split to stay within the single purchase limit. Splitting charges will be considered abuse of the Procurement card Program.
- d) All requests for modifications to Cardholder limits must be submitted by the Administrator to the Business Administrator by updating a copy of the Cardholder's original Procurement card Application Form.

- e) The Business Administrator reviews the modification and, if approved by him, submits it to the Bank for processing.

### Returns, Credits and Disputed Items

- 1) *Returns*: If the purchased item needs to be returned for any reason, returns will be processed, indicating the nature of the return, on a standard shipping order.
- 2) *Credits*: The supplier should issue a credit for any item that has been returned. The credit will appear on a subsequent Bank Procurement card memo statement.
- 3) *Disputed Items*: If there are any discrepancies, the cardholder will first contact the supplier to resolve the problem. If disputes cannot be resolved, the cardholder should contact the Administrator with Budgetary Authority and complete the dispute form located on the back of the memo statement.

### Procurement Card Security

- 1) Card security must be treated with the same level of care as a personal charge card.
- 2) Storage of the card must be in a secure location, accessible to only the cardholder.
- 3) The card account number **must** be secured and not posted at a desk or any other location.
- 4) When faxing orders, the cardholder must request that the supplier call to obtain the card number and confirmation. The card number must never be written on a fax cover sheet or order or otherwise transmitted by fax.
- 5) Use of the card by anyone other than the person whose name appears on the card is prohibited.
  - a) The card must not be given to anyone. Each employee authorized to make purchases using a Procurement Card will be provided their own individual card.
  - b) The cardholder, whose name appears on the card, may make purchases for any employee within the department, if approved by the Administrator with Budgetary Authority.
- 6) If the card is lost or stolen, the cardholder must IMMEDIATELY notify the Business Administrator or Administrator with Budgetary Authority and the Bank.

### Tax Procedures

- 1) Each merchant will be told that each transaction is a tax-exempt purchase when the purchase is initiated.

- 2) Most merchants with whom orders are placed should have a School District of Springfield Township Tax-Exemption form on file.
- 3) If the merchant requests the tax-exemption number or a tax-exemption certificate, obtain the name and address of the person to whom the information should be sent and give that information to the Business Administrator.

#### Cycle Review Procedures

- 1) Cardholder
  - a) The cardholder must review the memo statement to ensure that all transactions were initiated and approved and that the merchandise was received and/or a service was performed.
  - b) The cardholder will sign the monthly statement to acknowledge receipt of all goods and/or services, as well as approval of expenditures.
  - c) It is the responsibility of each cardholder to ensure that any credits due from suppliers were received. (Note: a credit may not appear immediately on the statement; it may appear on the next statement that is received. The cardholder will make a special note if this occurs to ensure that the credit is received.)
  - d) Receipts and memo statements must be maintained in the Department files.
  - e) The Administrator with Budgetary Authority or Business Administrator should be notified IMMEDIATELY if there are any exceptions or discrepancies.
- 2) Administrator with Budgetary Authority
  - a) The Administrator with Budgetary Authority should sign the monthly statement to acknowledge receipt of all goods and/or services, as well as approval of expenditures.
  - b) Administrators with Budgetary Authority are responsible for maintaining original documentation for each transaction at their site. Documentation shall include original invoices, cardholder statements, and card receipts (where applicable). Statements and other supporting documentation shall be organized by month and cardholder.
- 3) The Business Administrator and his/her designee shall review the Districtwide monthly statement for compliance with administrative regulations and accounting procedures for procurement cards In accordance with the internal audit procedures set forth below.

#### Audit Procedures

- 1) Internal audits are performed by the Business Office and are an in-depth examination of the financial procedures utilized by the School District. The Business Administrator or his designee evaluates the internal controls and bases his/her audit procedures on his/her assessment of the adequacy of these controls. The system of internal controls shall be reasonably adequate to safeguard the assets of the District. Financial transactions will be examined to determine that they are in accordance with Board policy, established procedures, laws and regulations. Internal audits are important to assure that the controls in place are being followed and to provide

assurance that the risk of fraud is significantly reduced. Internal audits are also mandated by the School Code.

- a) The Business Administrator or his/her designee shall audit the Districtwide monthly statement for compliance with administrative and accounting procedures. This audit shall include examination on a test basis of procurement card transactions.

2) External Audits

- a) External audits must be performed according to section 2401 of the School Code. External audits are an examination of the financial statements and the expression of an opinion as to whether the financial statements present fairly the financial position of the District in accordance with generally accepted accounting principles. The Single Audit must be performed by certified public accountants.

- b) Periodically, the Bureau of School Audits, Department of the Auditor General, conducts audits of school district funds for each school year. These audits are performed to determine compliance with state laws and regulations and with the district's own policies. The Auditor General may cite districts for improper procedures and inform the Board of School Directors and Pennsylvania Department of Education of appropriate corrective action.

Adopted: May 15, 2006