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BLUE VALLEY SCHOOLS
BUSINESS & FINANCE
PURCHASING & ACCOUNTING
Administrative Guideline
Policy 6714

Blue Valley School District Purchasing Card Program

Program Overview

Blue Valley School District has partnered with Commerce Bank for a VISA purchasing Card program. The purpose of the program is to establish a more efficient, cost-effective method of purchasing and paying for small dollar transactions. The VISA purchasing card is not intended to avoid or bypass any purchasing requirements. The purchasing card program is intended to compliment the already established purchasing practices.

This guideline provides the details which explain how cards are issued, responsibilities of card holders, documentation requirements, and an overview of allowable expenses.

Proper record keeping is essential to the success of this program. Therefore, it is the responsibility of the cardholder to ensure there is proper receipts and documentation as outlined in this guideline.

The cardholder is responsible for the security of this card and the transactions made. The card is issued in the name of the employee and any purchases are their responsibility. Use of the card in violation of established guidelines may result in personal liability and possible disciplinary action.

Requesting a New Card:

All cards are issued at the written request of a District Administrator. Requests are accepted via e-mail. The business office uses standard credit limits. Exceptions to these predetermined limits are granted on a limited basis. However, they only occur with written request from the employee's supervisor.

The business office will order the card from the bank. The card will only be mailed to the district office. Once the card arrives, contact will be made with the cardholder. The business office will make arrangements to provide the cardholder a set of the purchasing card guidelines and their card. It is the responsibility of the cardholder to read and follow the guidelines. The cardholder should check with their building or department administrator to see if they are required to give the card to the bookkeeper and check it out when needed.

Cards may be rescinded at any point in time. The request for a card does not mean that the card can't be canceled at a later date. This could occur because of a change in manager or improper use of the card.

The budget administrator determines how the cards are used within their building or department. This includes what a user can purchase (within district parameters) and if the user keeps the card or if it is checked out as needed.

Requesting a Temporary Limit Increase:

The budget administrator is responsible for sending all requests for temporary limit increases to the business office. These requests must include the following information:

- The cardholder name.
- The temporary limit amount.
- The reason for the temporary increase.
- The requested time period for the increase. (This is typically for a period of 1 month)

Canceling a Card:

To cancel a card, the budget administrator should notify the business office of the cancellation. These are accepted via e-mail. The business office will cancel the card once they receive the cancellation request. After you have made the request, cut the card in half and forward it to the business office. This needs to occur if the employee leaves the district or moves to another building or department.

Requesting a Travel Card:

Staff must follow the district travel guidelines. If a purchasing card is required for the trip, staff (other than administrators) must check-out a travel card from the business and finance office.

Reporting an Error or Dispute:

When charges appear to be incorrect, the cardholder shall take the following steps:

1. Notify the budget administrator.
2. The cardholder should attempt to resolve the dispute with the merchant.
 - If unsuccessful, contact Commerce Bank's Customer Service Center at the number listed on the back of the card within 30 days of the disputed item's statement date.
3. The Budget Administrator shall communicate the error or dispute to the Senior Accountant Ext.4113.

Changes to Cardholder information:

The budget administrator should send all requested changes to the business office. The most common change in cardholder information is a name change. The business office will review the request and work with the Bank to make the necessary revisions.

Reporting a Lost or Stolen Card:

Each cardholder is responsible for safeguarding their purchasing card.

To prevent unauthorized purchasing card use:

- Safeguard cards and card numbers at all times.
- Prohibit others from using your purchasing card.

If a card is lost or stolen:

1. Immediately report lost or stolen cards to Commerce Bank 1-(800)-892-7104.
2. Record the name of the person you spoke to.
3. Record the reference number provided by Commerce Bank.
4. Inform department director or building administrator.
5. Inform the business office Ext. 4676.

CARDHOLDER RESPONSIBILITIES & REQUIREMENTS

- At the time of issuance, the budget administrator will advise the cardholder of all restrictions that apply to the card, such as number of transactions allowed per period, maximum transaction amount, and type of purchases allowed. The cardholder must follow these department or building guidelines.
- Never give out the card number or give the card to another employee to make a purchase.
- The cardholder agrees to provide all original receipts (itemized with detail) for each transaction. This includes charge slips, cash register receipts, invoices and packing lists associated with card purchases. You are also encouraged to keep copies for your records.
- The cardholder agrees to follow all district policies, procedures and guidelines related to purchasing and the use of the purchasing card. Those guidelines can be found on the district intranet.
- The cardholder will notify Commerce Bank and Business Office immediately if a card is lost or stolen.
- Prior to making purchases, the cardholder will ensure they have a full understanding of how their supervisor allows them to use their p-card to make purchases. Some supervisors will want to pre-approve each purchase, some supervisors will allow the cardholder to make defined purchases without pre-approval, and some supervisors will allow the cardholder to use their card with some other general purchasing guidance.
- The cardholder's school / department will be responsible for all charges incurred from the use of the card.
- The cardholder will ensure that purchases made in Kansas and Missouri are tax exempt.
- For telephone or catalog orders, make sure complete shipping address and instructions are given along with your name. **All shipments are to be sent to your business address. Items should not be sent to a personal address.**
- The cardholder agrees to work directly with Commerce Bank to resolve errors and disputes.
- Never accept cash for credit card returns. Request that the merchant credit the credit card account.
- Immediately notify the budget administrator and the business office ext. 4042 of changes in cardholder status.
- Keep proper records and ensure the original receipts are turned in to the appropriate person.
 - This Includes:
 - **Who** - Document the person or persons on whom the money was spent (primarily applicable for meals/entertainment expenses). For groups of 5 or less, list each name. For groups of 6 or more, list the total number in the group.
 - **What** - Document what was purchased if not completely evident on the front of the receipt
 - **Where** - Document where the purchase was made if not completely evident on the front of the receipt
 - **When** - Document when the purchase was made if not completely evident on the front of the receipt

- **Why** - Document why the funds were spent - specifically the business purpose. The more detail given here, the better (primarily applicable for meals/entertainment expenses)
 - An **account number** for the charging of the expense.
- The cardholder agrees to participate in a training on a yearly basis in order to learn the proper procedures for using the purchasing card.
- THE CARDHOLDER SHALL NOT MAKE PERSONAL PURCHASES ON THE PURCHASING CARD. Cardholder understands that they are personally liable for any improper use of the purchasing card and agrees to re-pay to the issuer of the card or the District for purchases. The Cardholder understands that his/her improper use of the purchasing card may result in disciplinary action by the District up to and including termination.
- The Cardholder understands that should his/her employment with District terminate for any reason, the purchasing card must be returned to the Business Office.
- The Cardholder understands that the District may withdraw authorization to use the purchasing card and require the return of the card at any time.
- The Cardholder understands the purchasing card is for the purchase of small commodity items. The purchasing card should not be used to buy capital items (items above \$1000.00). All purchases must comply with accounting guidelines, purchasing guidelines, district guidelines and policies.
- The following items are examples of what CAN NOT be purchased with the purchasing card. This list is not all inclusive:
 - Alcoholic beverages
 - Fixed Assets (Furniture and Equipment at or above \$1,000 in value.)
 - Cash advances
 - Construction, renovation or installation expense (Prior approval is necessary)
 - Personal items
 - Telephones and related equipment
 - Weapons, ammunition
 - Gas/Fuel (Expectation for those cards that are designated as fuel cards.)

Purchase of Goods:

As stated in the guidelines, the purpose of the purchasing card program is to establish a more efficient, cost-effective method of purchasing and paying for small dollar transactions. However, it is preferred that the traditional purchase method of Purchase Orders (PO's) is used when possible. That is why the standard purchasing limits of most cards are relatively small (around \$250). There are higher limits for certain employees or when a temporary limit increase is requested.

The district does have established purchasing guidelines that outlines the requirements of quotes or bids for purchases in excess of \$6,999. The VISA purchasing card is not intended to avoid or bypass any state laws or district guidelines. The purchasing card program is intended to compliment the established purchasing practices.

Purchase of Services:

The district does have established purchasing guidelines that outline the requirements of quotes or bids for purchases. This includes the purchase of services. In addition, there are limitations on who can sign a contract. It is very common that service providers also have a contract requirement as a part of their purchasing practices.

- It is allowable to use the Purchasing card to make purchases of a service (under \$3,000). However, it is preferred that a PO is used when possible.
- As always, purchases must be approved by your building or department administrator.
- As stated in the district purchasing guidelines, there are quote or bid recommendations and requirements for purchases in excess of \$6,999. The VISA purchasing card is not intended to avoid or bypass any purchasing requirements.
- Contracts – Summary
 - o The Business Office is certainly happy to assist anyone with contracts. The business office must be involved once the contract reaches \$3,000.
 - o Only Administrators may sign contracts
 - School Administrators may sign contracts at or below \$2,999.
 - Executive Cabinet Administrators may sign contracts between \$3,000 and \$19,999. However, a copy of the contract must be forwarded to the Business Office so they can be reported to the Board of Education.
 - Contracts that reach \$20,000 are only processed by the district office. These must be approved by the Board of Education and only the Board of Education President can sign these agreements.

Purchase of Technology and Software:

- It is preferred that all technology (hardware, software and web subscriptions) be purchased using a Purchase Request / Purchase Order. However, there are limited situations where the use of the Purchasing Card to make these types of purchases is the best method. It is only allowable to use the purchasing card to purchase technology when pre-approved by Susie Greer in ITS. You must email ITpurchase@bluevalleyk12.org to request approval for a technology purchase. You must receive written (email) confirmation prior to making the purchase. The written (email) approval must then be attached to your receipt when turning in your required documentation.

BUDGET ADMINISTRATOR RESPONSIBILITIES

- Advise the cardholder of any restrictions or building/department practices regarding the purchasing cards.
- Request purchasing cards for designated employees.
- Continually assess cardholder's eligibility to have a purchasing card.
- Review monthly P-Card Summary (Audit Report)
 - Address all items flagged by the bookkeeper or administrative assistant.
 - Ultimately responsible for obtaining missing receipts or alternative documentation if a receipt is not available.
 - Sign off on all legitimate charges.
 - Ensure that building and department staff have appropriate communication and training regarding the purchasing card. This includes changes in the program or audit follow-up items.
 - Determines that purchases are only for items used by the District.
 - Assist in resolution of disputes and errors.
- Collect and cancel cards from Cardholders who end employment. This requires communication with the Business Office to formally cancel the card.
- Notify Business Office regarding lost or stolen cards.
- Assist Business Office in the suspension of cards as required.
- Communicate with staff members that have p-card findings found during the monthly audit process.

BUSINESS OFFICE RESPONSIBILITIES

- Coordinates the program and responds to purchasing card related questions and guideline issues.
- Participate in ongoing program reviews.
- Coordinates all card requests.
- Assist cardholders in resolution of billing disputes when cardholders' attempts are unsuccessful.
- Notify budget administrators of changes that affect cardholders spending limits and/or status.
- Notify budget administrators of changes that require re-issuance of a purchasing card.
- Communicate with Budget Administrator and Executive Cabinet member when a card needs to be suspended through the audit process.

ACCOUNTS PAYABLE RESPONSIBILITIES

- Processes approved payments and maintain related documentation.

BUILDING BOOKKEEPER RESPONSIBILITIES

- Perform the first detailed review of receipts.
- Review the expenditures for reasonableness and ensure that the charges are allowable in the account/fund they are charged to.
- Ensure that purchasing guidelines were followed, when applicable.
- Make an initial attempt to obtain any missing receipts.
- Missing receipts or questionable charges that are unresolved will be flagged and given to the building principal for final review and signoff.
- Obtain all receipts for the principal's charges.

ADMINISTRATIVE ASSISTANT RESPONSIBILITIES (District Office)

- Perform the first detailed review of receipts.
- Review the expenditures for reasonableness and ensure that the charges are allowable in the account/fund they are charged to.
- Ensure that purchasing guidelines were followed, when applicable.
- Make an initial attempt to obtain any missing receipts.
- Ensure missing receipts or questionable charges that are unresolved will be flagged and given to the executive director or immediate supervisor.

JUNIOR ACCOUNTANT RESPONSIBILITIES

- Perform monthly purchasing card transaction audit.
- Create monthly report with identified follow-up areas.
- Record follow-up of items as identified.
- Examine activity fund and petty cash detail to ensure that expenses are not being reimbursed if they are charged on a purchasing card.

SENIOR ACCOUNTANT RESPONSIBILITIES

- Adds/Updates employees in the VISA online system
- Trouble shoots system and online access issues
- Distributes Monthly Fuel reports to users for reconciliation
- Collects Unallocated Transaction data from card reconcilers
- Compiles and Reconciles Monthly District wide Bill for payment

Audit of Purchases - Building:

The cardholder will turn all receipts in to their respective bookkeeper. The receipt shall contain the following information:

- **Who – Required only for food purchases.** Document the person or persons on whom the money was spent (primarily applicable for meals/entertainment expenses). For groups of 5 or less, list each name. For groups of 6 or more, list the total number in the group.
 - **What** - Document what was purchased if not completely evident on the front of the receipt
 - **Where** - Document where the purchase was made if not completely evident on the front of the receipt
 - **When** - Document when the purchase was made if not completely evident on the front of the receipt
 - **Why – Required only for food purchases.** Document why the funds were spent - specifically the business purpose. The more detail given here, the better (primarily applicable for meals/entertainment expenses)
 - An **account number** to charge the expense to
1. The bookkeeper will be responsible for performing the first detailed review. They will review the expenditures for reasonableness and ensure that the charges are allowable in the account/fund they are charged to. They will also ensure that purchasing guidelines were followed, when applicable. They will make an initial attempt to obtain any missing receipts. Any missing receipts or questionable charges that are unresolved will be flagged and given to the building principal for final review and signoff. The bookkeeper will also obtain all receipts for the principal's charges.
 2. The principal will address all flagged items and will ultimately be responsible for obtaining missing receipts or alternative documentation if a receipt is not available. The principal will sign off on all legitimate charges. The executive director of school administration (East or West) will review all charges made by Principals in conjunction with a draft of the monthly audit report that will be prepared by the junior accountant.
 3. School personnel will forward the entire packet, with all receipts to the Senior Accountant at district office. A representative from the accounts payable department will be responsible for obtaining all packets from the schools for payment processing.
 4. The packets will then be given to the junior accountant to complete appropriate audit procedures. The procedures will include, but not be limited to, a review of all transactions and supporting documentation for reasonableness and appropriate documentation. Audits will be performed on a monthly basis. During this review, an examination of activity fund and petty

cash detail will be performed to ensure that expenses are not being reimbursed if they are charged on a purchasing card.

5. Purchasing Card Finding Levels

The junior accountant will prepare a monthly report that outlines the exceptions that were noted. The audit and finding report prepared by the junior accountant will note exceptions using the criteria defined below.

The report will be given to the business office and accounting. . This information will be used to identify trends and to determine if corrective action or escalation to executive administration is necessary.

High Priority

- ***Two or more High Priority findings (on any District purchasing card – personal, fuel, travel, student travel) within 6 months, results in a three month purchasing card suspension. The staff member will not be able to use any purchasing card in the district. This includes student travel, staff travel, or fuel.***
- ***After the first suspension, if there is another two or more high priority findings within a year from the first suspension the staff member will have their purchasing card suspended for a period of six months. Again, the staff member will not be able to use any purchasing card in the district. This includes student travel, staff travel, or fuel cards.***

High Priority Findings are Defined as the Follows:

- No receipt
- No itemized receipt (over \$75)
- No Business Purpose notation (Food Receipts)
- No list of attendees (Food Receipts)
 - 5 People or Less List all Individual Names
 - More than 5 people list group and number of attendees
- Purchase of Fixed Assets (Items above \$1,000)
- Receipt does not match statement
- Item shipped to a personal address
- Gift cards purchased (for staff) with District Funds.
- Gift card purchase without backup documentation.
- Sales tax charged on purchase in excess of \$100 (KS and MO only)
- Alcoholic beverages purchased
- Charging of Room Service
- Purchase of technology without approval

Focused Priority

(Several occurrences could result in suspension of card)

- No itemized receipt (under \$75)
- No receipt, packing list only without pricing
- No dollar amount on receipt
- Sales tax charged on purchase between \$50-\$99 (KS and MO only)
- Purchase of a non-standard technology and furniture. There are items under the fixed asset limit of \$1000, but we have defined a district-wide standard (e.g. printer, DVD player, TV, i-pads, computers, furniture). Therefore, you need to follow the procedures outlined in the Purchase of Technology and Software section or work with the business office when you are purchasing furniture.

Area for Improvement

(Multiple occurrences could result in suspension of card)

- Receipt was illegible
- Excessive tip over 20%
- Food is purchased on a fuel card
- Alcoholic beverages purchased and reimbursed by personal check
- Personal purchase reimbursed by personal check

For Informational Purposes Only

(Not a finding unless excessive instances)

- Part of the receipt was missing
- Receipt not legible
- Receipt illegible due to fading
- Sales tax charged on a purchase less than \$50 (KS and MO only)
- Not an original receipt. (Faxed copy from the merchant is OK)

Audit of Purchases – District Office

The cardholder will turn all receipts in to their respective administrative assistant. The cardholder will be responsible for ensuring that the following information is included on the back of each receipt (or other documentation) turned in.

- **Who- Required only for food purchases.** Document the person or persons on whom the money was spent (primarily applicable to meals/entertainment expenses). For groups of 5 or less, list each name. For groups of 6 or more, list the total number in the group.
 - **What** - Document what was purchased if not completely evident on the front of the receipt
 - **Where** - Document where the purchase was made if not completely evident on the front of the receipt
 - **When** - Document when the purchase was made if not completely evident on the front of the receipt
 - **Why - Required only for food purchases.** Document why the funds were spent - specifically the business purpose. The more detail given here, the better (primarily applicable to meals/entertainment expenses)
 - An **account number** to charge the expense to
1. The administrative assistant/designated party will be responsible for performing the first detailed review. They will review the expenditures for reasonableness and ensure that the charges are allowable in the account/fund they are charged to. They will also ensure that purchasing guidelines were followed, when applicable. They will make an initial attempt to obtain any missing receipts. Any missing receipts or questionable charges that are unresolved will be flagged and given to the executive director or immediate supervisor.
 2. The executive director/immediate supervisor will address all flagged items and will ultimately be responsible for obtaining missing receipts or alternative documentation if a receipt is not available. If they choose to designate someone to perform this follow-up, it will be understood that they will still be ultimately responsible for the final sign-off on all purchasing card activity in their departments.
 3. The executive director/immediate supervisor will sign off on all legitimate charges. They will forward the entire packet, with all receipts to the junior accountant.
 4. All charges made by an executive director must be reviewed and signed by their supervisor.

5. All charges made by the superintendent and the deputy/asst. superintendent must be reviewed and signed off on by the executive director of business and finance or the director of accounting and auditing (in absence of prior).
6. The entire packet, with all receipts, should be forwarded to the jr. accountant within the finance department. A representative from the accounts payable department will be responsible for obtaining all packets from the district office for payment processing.
7. The packets will then be given to the junior accountant to complete appropriate audit procedures. The procedures will include, but not be limited to, a review of all transactions and supporting documentation for reasonableness and appropriate documentation. Audits will be performed on a monthly basis. During this review, an examination of petty cash detail will be performed to ensure that expenses are not being reimbursed if they are charged on a purchasing card.
8. Purchasing Card Finding Levels

The Junior Accountant will prepare a monthly report that outlines the exceptions that were noted. The audit and finding report prepared by the junior accountant will note exceptions using the criteria defined below.

The report will be given to the business office and accounting. This information will be used to identify trends and to determine if corrective action or escalation to executive administration is necessary.

High Priority

- ***Two or more High Priority findings (on any District purchasing card – personal, fuel, travel, student travel) within 6 months, results in a three month purchasing card suspension. The staff member will not be able to use any purchasing card in the district. This includes student travel, staff travel, or fuel.***
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BLUE VALLEY SCHOOL DISTRICT USD 229
BUSINESS PURCHASING CARDHOLDER AGREEMENT

<hr/> Name of Cardholder:	<hr/> Cardholder Business Address:
<hr/> Department/School Name	<hr/> Cardholder Business Phone Number:

I agree to accept responsibility for the protection and proper use of the Purchasing Card in accordance with the terms and conditions outlined within the Blue Valley School District purchasing card guidelines. I will read and review the guidelines to ensure that I have an understanding of what is allowable.

Cardholder Signature: _____

Date: _____