Minnesota Power Card (P-Card) Program

What is a P-Card?

A purchasing card or P-Card, functions as a credit card issued to public entities. Assigned to specific district employees, it facilitates routine, lower-dollar transactions. The use of a P-Card enables staff to purchase from vendors that do not accept standard Purchase Orders, eliminating the need for employees to use personal credit cards and request reimbursement.

Potential Benefits and Risks: A P-Card provides many benefits as well as some risks to the district that should be taken into consideration.

Benefits:

- Reduces administrative time spent on employee reimbursements for routine purchases.
- Provides documented transaction records for spending as they incur, as opposed to when employees submit reimbursements.
- Rebates on purchases after the district spends at least $50,000 annually.

Risks and considerations:

- Misuse or fraud: improper or misuse of the P-cards, such as theft or use for personal gain.
- Requires monthly reconciliation of spending while ensuring that receipts and appropriate approval for purchases are available.

Risk Mitigation:

- Board adopts a P-Card policy
- Business office adopts P-Card procedures and internal controls
- Limit the number of authorized P-Card users.
- P-cards are to be stored in a secured place.

P-Card recommendations: District administration recommends the PFM Payment Solutions program, which is endorsed by the Minnesota School Board Association, Minnesota Association of School Administrators, and Minnesota Association of School Business Officials. This program provides secure procurement cards that simplify district purchasing and bill paying while earning a cash rebate based on purchasing value.

P-Card Program Details:

- No fees or minimum spend limits
- Requires no minimum contract period — no cancellation fees

- Offers control of features to set spending limits and monitor daily, weekly, and monthly activity per cardholder
- Mastercard’s misuse insurance provides coverage of $25,000 per cardholder for those with four cards or fewer and $100,000 per cardholder for organizations with five or more cards.
- Lost or stolen liability — $0
- Earns cash rebates on 12 months’ total spend between September 1 and August 31 of each year. Rebates begin at $50,000 annually — every dollar spent qualifies for rebate

Next Steps: Business office submits an application for the P-Card, drafts internal control procedures, school board reviews and adopts a P-Card policy