

Purchasing Card Program Cardholder Manual

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INTRODUCTION

Welcome to Mid Valley Special Education Cooperative Purchasing Card program!

I welcome you to participate in Mid Valley's Purchasing Card program ("P-Card"). We believe that each team member's time is valuable and we believe the P-Card program contributes directly to enabling you to streamline your department's purchasing needs.

This manual is designed to acquaint you with information about the P-Card program's policies and procedures. You should read, understand, and comply with all provisions of the manual. It describes many of your responsibilities as a team member and outlines the processes and procedures to facilitate secure, timely and accurate purchasing transactions. One of our objectives is to provide purchasing channels that empowers our employees to make sure our resource needs are met to deliver quality services to our students while at the same time providing the necessary financial controls to safeguard our organization's assets.

The P-Card manual cannot anticipate every circumstance or question. As our organization usage continues to grow, we may revise, supplement, or rescind any policies or portion of the manual from time to time as the organization deems appropriate.

Again, I welcome you to the P-Card program!

Sincerely,

Nancy Sporer
Director of Business & Human Resources

CODE OF CONDUCT

The Code of Conduct for Mid Valley's Purchasing Card Program is designed to provide the participant a set of guidelines and philosophy to follow regarding the use of the card.

- **Purchases**

P-Card purchases should be made so that the organization gains the maximum value and quality for each purchase.

- **Supplier Gifts**

Decline all personal supplier gifts offered (reference Board Policy 2:105, 5:120)

- **P-Card Agreement**

The issuance of a P-card is strictly prohibited prior to receipt of a signed agreement from the employee. An employee must sign the P-Card agreement prior to receiving a P-Card.

- **Personal Use of P-Card**

Only authorized business purchases may be completed with the P-Card and any personal purchases is strictly prohibited.

- **P-Card Security**

The P-card is the property of Mid Valley Special Education Cooperative and as such should be retained in a secure location. An employee may use the P-card when traveling on business on behalf of Mid Valley; otherwise, it should not be retained in the employee's purse or billfold. This practice reduces the possibility of the P-card being lost or stolen.

- **Authorization**

Only the employee to whom the card is issued is authorized to use it. Delegating the use of the P-card to another employee is strictly prohibited.

- **Supplier Bids**

Where required in accordance with organization policy, all suppliers should be offered an equal opportunity to participate in the organization's purchase programs within federal and state statutory regulation.

- **Supplier Disagreements**

If a disagreement occurs with a supplier, the employee should make every effort to reach a reasonable and equitable settlement to the dispute. If it is not possible to settle the disagreement under reasonable circumstances, then submit the dispute to arbitration with an independent, impartial third party.

CODE OF CONDUCT

- **Negotiations**

Each employee is required to conduct themselves in a good faith manner when negotiating with suppliers. Any intentional misrepresentation is strictly prohibited.

- **Organization Policies**

Adhere to organization policy as it relates to the P-Card program. Please refer to Board Policy 4:55.

- **Documentation**

All purchases using the P-Card program must be properly documented for business purposes. Any altered or forged documentation is strictly prohibited.

- **Purchase Restrictions**

The purchase of products, services or commodities on the restricted list in the Purchasing Card Policy is strictly prohibited. Check with your department manager or the Purchasing Department if you have any questions about whether a charge is valid under the P-card program.

- **Purchase Limits**

All dollar value purchase limits will be adhered to under the program and any splitting of transactions to avoid authorized limits is strictly prohibited.

- **Business Practices**

In all supplier relationships and purchasing, promote and cooperate with trade and professional associations and with state, federal, local and private agencies on encouraging fair, ethical and legal business practices.

ACKNOWLEDGMENT FORM

The P-Card manual describes important information about Mid Valley's purchasing card program controls and processes required to manage the day-to-day operations of this purchasing option. The manual is intended to inform cardholders handling P-Card transactions about the formal policy guidelines, processes and responsibilities of the various participants. These policies ensure that P-card purchasing is consistent with Mid Valley's fiscal and internal control goals.

Since the information, policies and procedures described in the manual are subject to change, I acknowledge that revisions to the P-Card manual may occur. All policy changes require the appropriate authorized approvals before they are implemented. I understand that revised information may supersede, modify, or eliminate existing policies.

I acknowledge that I have received the P-Card manual, and I understand that it is my responsibility to read and comply with the policies and the Code of Conduct contained in the manual and any revisions and updates made to it.

CARDHOLDER'S SIGNATURE

DATE

CARDHOLDER'S NAME (TYPED OR PRINTED)

1 Cardholder Setup & Activation

1.1 Overview

The purchasing card program is designed to assist the organization in reducing its reliance on requisitions, purchase orders, petty cash funds, employee advances and paper checks, and reduce the need to use personal funds for business purposes. The program should help increase your turn-around time in the fulfillment of orders, provide greater flexibility and reduce paperwork. The Accounts Payable Department is responsible for the implementation, maintenance, program compliance, auditing, processing payment, issuance of the P-Card, and bank relations to solve customer service issues. Only employees of the organization are allowed to participate in the program. Each cardholder has the responsibility to review, reconcile and submit their monthly account statement with the appropriate receipts and signatures for processing and payment by the due date.

All policies outlined in this manual and the organization's financial and operational policies must be adhered to and any failure to comply can result in the suspension from the P-Card program and also include disciplinary actions that may include termination of employment. The P-Card issued to the cardholder is the property of Mid Valley Special Education Cooperative and can be canceled at any time. Periodic audits will be performed to ensure the cardholder is in compliance with the policies and procedures.

1.2 Cardholder Setup

A new participant in the P-Card program must complete the P-Card Application and obtain the appropriate authorizations. The application must be submitted to the P-Card administrator by the applicant's manager. Once the application has been approved by the P-Card administrator and the bank has processed the request, an account for the cardholder may be established.

The new participant must also sign the P-Card Agreement that outlines the responsibility of the cardholder while in possession and use of the P-Card. In addition, the participant is required to read the Code of Conduct for the program and adhere to the principles in the policy. Both of these documents must be completed and signed prior to the release of the P-Card to the cardholder from the P-Card administrator.

1.2.1 P-Card Application

1.2.2 P-Card Agreement Form

1.3 Activation of Account

To activate your P-Card follow the instructions below.

1. Call the toll free card administrator phone number on the label affixed to the card.
2. When prompted enter your card number.
3. You will then be prompted for personal information which will identify you as the cardholder in possession of the P-Card.

If you have problems activating your account, please call the P-Card administrator at (XXX) XXX-XXXX ext. XXXXX or via email at XXXXX. Prior to the activation of your account you must attend the P-Card Program training seminar at which time you will sign the P-Card Agreement noted on Page 6.

2 Purchasing Guidelines and Limits

2.1 Overview

Mid Valley Special Education Cooperative only allows certain purchases to be made using the P-Card. All purchases must be made in compliance with our Purchasing policies and the guidelines set forth in this manual. Any violation will result in disciplinary action that may include termination of employment. Only the authorized cardholder may use the P-Card and no authority is permitted or conferred to the cardholder for the delegation of its use. Each cardholder has a designated credit limit for monthly purchases, daily purchase credit limit and single purchase credit limit. Intentional circumvention of these limits is strictly prohibited. This includes splitting a transaction amount with the same vendor or multiple vendors for purchases that would otherwise exceed the cardholder's limits. Mid Valley will perform periodic audits electronically and manually to verify adherence to this policy.

2.2 Allowable Purchases

- 2.2.1 General Supplies (supplies that cannot be ordered with purchase requisition)
- 2.2.2 Travel (as permitted by Mid Valley policy and with prior approval)
- 2.2.3 Dues for associations
- 2.2.4 Subscriptions for business purposes only
- 2.2.5 Computer hardware and software
- 2.2.6 Meeting/convention expenses

2.3 Prohibited Purchases with the P-Card

- 2.3.1 Cash advances, wire transfers or money orders
- 2.3.2 Independent contractors or other personal services
- 2.3.3 Maintenance contracts
- 2.3.4 Personal purchases
- 2.3.5 Telephone expenses
- 2.3.6 Alcohol purchases
- 2.3.7 Donations
- 2.3.8 Employment ads
- 2.3.9 Parking tickets
- 2.3.10 Gifts of any kind (including gifts for hospitalized employees, lunches with administrative assistant on Administrative Assistants' day, or gifts for new babies, and any gift that would violate board Policy 2:105)

2.4 Related Policies

- 2.4.1 Purchasing Card Policy 4:55
- 2.4.2 Purchasing Policy 4:60

3 Recordkeeping & Reconciliation

3.1 Overview

The cardholder is responsible for maintaining adequate receipts for goods and services purchased with the P-Card. The cardholder must contact the vendor directly to resolve any discrepancies or incomplete orders. The documentation retained should include sales receipts, packing lists (if applicable) and credit card transaction receipts. A transaction log using Microsoft Excel is available to assist the cardholder in tracking purchases that must be reconciled to their account statement each month. Any incorrect charges, duplicate transactions or missing credits must be addressed directly between the cardholder and the vendor. Upon completion of the reconciliation, the cardholder must sign the Approval Form documenting their agreement with the transactions appearing on their account statement.

Please note that all receipts from restaurants for food **MUST** be itemized. Failure to submit an itemized receipt for restaurant purchases may result in the employee being responsible for the charges.

3.2 Reconciling

- 3.2.1 Cross reference each transaction documented in the cardholder's transaction log to the month end account statement
- 3.2.2 Enter in account number
- 3.2.3 Verify amounts charged
- 3.2.4 Verify payment of a prior period balance
- 3.2.5 Notify the Accounts Payable Department immediately for any un-posted payments from the prior month's cycle resulting in late fees to the account
- 3.2.6 Attach the transaction log to the account statement along with your purchase receipt documentation

3.3 Examples of Receipt Documentation

- 3.3.1 Cash register receipt
- 3.3.2 Car rental original receipt showing date in and out
- 3.3.3 Airline itinerary and sales receipt (if an electronic "e-ticket" attach the boarding pass document)
- 3.3.4 Itemized hotel bills

4 Billing & Payment

4.1 Overview

Mid Valley receives a single account statement from its P-Card bank administrator on the 5th of each month. The cardholder must submit their reconciled account statement by the 10th of each month to the Accounts Payable Department with the appropriate approvals and documentation.

Any account statements deficient of the proper approvals and documentation will be returned to the cardholder's manager to be resubmitted appropriately. If a cardholder is consistently delinquent in submitting their reconciled account statement to the Accounts Payable Department, and who consistently is missing receipts, the P-Card administrator and the cardholder's manager may review their status as a participant in the program and suspend their privileges until an adequate resolution is achieved.

5 Disputed Transactions

5.1 Overview

At times there might be disputed transactions appearing on a cardholder's account statement. The dispute may arise due to non-delivery of the goods or services, incorrect billing, duplicate billing, missing a valid credit not processed to the account for a return, altered charges or defective merchandise. The cardholder is responsible for resolving the disputed item with the vendor. The cardholder also has the responsibility for informing the P-Card Administrator of the disputed transactions.

The bank must be notified of all disputed transactions within 30 days of the statement date.

NOTE ON RETURNED ITEMS: Items should be returned directly to the vendor by whichever means the vendor requires. It is the cardholder's responsibility to determine that proper credit is posted for any returned item

6 Travel & Meals using the P-Card

6.1 Overview

All travel must be approved by your immediate supervisor and the appropriate documentation must be attached to each account statement and submitted to the Accounts Payable Department. The cardholder must adhere to Mid Valley's travel guidelines and procedure, including policy 5:60 (Expenses) and any administrative procedures thereto. All travel must be for business purposes only and any personal use is strictly prohibited.

6.2 Travel Rules

- 6.2.1 The P-Card should not be used for gasoline for your personal vehicle when it is used for business purposes. Business travel incurred when using your personal vehicle will be reimbursed by claiming mileage on your expense report. If you are traveling with a rental car, then gasoline may be purchased using the P-Card.
- 6.2.2 The P-Card may be used to pay authorized hotel bills at a single occupancy rate. All personal hotel related expenses should be paid directly by the employee, including but not limited to movies, mini-bar purchases, alcoholic beverages and telephone charges.
- 6.2.3 The organization does not provide ATM privileges with its P-Card program. Any cash needed while traveling must be either from personal funds that are reimbursed upon submitting an expense report, or an approved cash advance, for which the employee must account for the use of funds upon his/her return.
- 6.2.4 Meals should represent "mid-fare" selections for the hotel/meeting facilities or general area and should not exceed \$50 per day. Business lunches must be approved in advance by your immediate supervisor. In no event should alcoholic beverages be purchases using the P-Care. All receipts for meals must be itemized.

7 Audits

7.1 Overview

All cardholder accounts are subject to periodic audits to ensure compliance with the organization's overall policies and the policies outlined in this manual. The P-Card administrator, and the Accounts Payable Department review daily, monthly and annual transaction activity reports as deemed necessary to ensure adherence to the P-Card policies. If an audit reveals a policy violation, the cardholder and their manager will be contacted and disciplinary action assessed based on the type of violation. Violators may also be referred for criminal prosecution.

7.2 Violations

Violations include, but are not limited to:

- 7.2.1 Intentional splitting of transactions to circumvent the credit limit including single day and single transaction limits.
- 7.2.2 Consistently delinquent accounts submitted for processing and payment.
- 7.2.3 Personal use of the P-Card.
- 7.2.4 Allowing an unauthorized user to use the P-Card.
- 7.2.5 Purchase of prohibited products, service or merchandise outlined in the organization's policies and in this manual.
- 7.2.6 Failure to pay inadvertent personal charges on the P-Card.
- 7.2.7 Fraudulent transactions with a vendor.
- 7.2.8 Violation of the organization's Purchasing Policy (4:60)

8 Lost or Stolen Cards

8.1 Overview

If your card is lost or stolen, the cardholder must immediately contact the P-Card Administrator. Upon notification, the card will be suspended immediately and any charges posted to the account after the “missing date” will be denied. A new card will be issued upon completion of an application and indicate that the card is a replacement. After the application is received by the P-Card Administrator it will take approximately two (2) days to reissue a replacement card.

8.2 Card Security Tips

- 8.2.1 When you are not traveling on organization business, the card should be retained in a secure location other than your personal billfold or purse.
- 8.2.2 A canceled card should be destroyed by cutting it up into several pieces prior to disposal.
- 8.2.3 When presenting your card for purchases, provide your driver’s license to identify you as the authorized user of the card.
- 8.2.4 Sign the back of the card and also write “See ID” next to the signature to remind the vendor to look at your personal identification to authenticate the transaction.
- 8.2.5 Do not provide your card account number to unsolicited marketing calls.

8.3 Contact List

- 8.3.1 Bank Information
 - BMO/Harris Bank
 - 1-800-263-2263 (Primary Number)
 - 1-800-361-3361 (Lost/Stolen – Emergency Replacement)
- 8.3.2 P-Card Administrator
 - Nancy Sporer
 - 331-228-4928
 - Nancy.Sporer@d303.org