



THREE RIVERS SCHOOL DISTRICT

Accounting & Finance

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PURCHASING CARD GUIDELINES

OVERVIEW

The Purchasing Card Program is intended to streamline and simplify the Purchasing and Accounts Payable functions. The Purchasing Card is a tool that reduces transaction costs, facilitates timely acquisition of materials and supplies, automates data flow for accounting purposes and offers flexible controls to help ensure proper usage.

The Purchasing Card Program is designed as an alternative to a variety of processes including petty cash, check requests, and low dollar purchase orders. The Purchasing Card is neither a substitute for public bidding nor the district's existing purchasing program. Nor is the Purchasing Card program being implemented for the purpose of bid splitting and avoidance of the statutorily mandated public bidding process. Rather, the Program complements the existing processes.

Record keeping is essential to ensure the successful use of the Purchasing Card. This is not an extraordinary requirement; standard payment policies require retention of receipts, etc.

This Guideline provides information about the process, the types of purchases that can and cannot be made, records that must be maintained and reconciled for each cycle, and a variety of other Program information.

PLEASE REMEMBER THAT YOU ARE COMMITTING DISTRICT FUNDS EACH TIME YOU USE THE PURCHASING CARD. You are the person responsible for all charges made to the card, which has been issued to you. Intentional misuse or fraudulent abuse may result in disciplinary action up to and including dismissal.

WHO IS ELIGIBLE TO USE THE PURCHASING CARD

ONLY EMPLOYEES COMPLETING AN AGREEMENT MAY USE A PURCHASE CARD

Only active employees of the School District are eligible to use a Purchasing Card. Contractors or temporary employees are not eligible. You are responsible for the security of the card and all transactions made against the card. You will be required to sign a Purchasing Card Staff Agreement as part of the Purchasing Card application.

RECEIVING A PURCHASING CARD

When you receive your Purchasing Card, have the building or department administrator sign the back. Always keep it in a secure place. It is the property of the School District and is only to be used for district purchases as defined in this guide.

Call the 1-888 number provided by the bank to activate the card. (You may request the Unique ID # from accounts payable).

ETHICAL USE

It is the policy of Three Rivers School District for employees, in their status as public officials to refrain from Purchasing Card activities that:

- Create a potential conflict of interest or
- Potentially result in the appearance of using public office for personal financial gain

If an employee encounters a potential conflict of interest or potentially could be viewed as receiving personal financial gain, or avoiding financial detriment, in using the Purchasing Card, they should either refer the Purchasing Card action back to their supervisor or the department. Alternatively, the department may also submit a requisition to Business Services for purchase of the items.

GUIDING PRINCIPLES

Your purchases under these procedures should be above reproach and not present the appearance of impropriety!

If in doubt, ASK! If you CANNOT ask, then DON'T !

As a matter of the high ethical standards of Three Rivers School District, each individual will refrain from participating in any procurement business which is being conducted with individuals or vendors whom you have a close personal, professional or family connection. If this situation is anticipated or encountered, transfer the procurement activity to another person to accomplish.

PURCHASING CARD RESTRICTIONS

The Purchasing Card IS NOT to be used for personal purchases, cash transactions such as money orders, ATM, traveler's checks, or wire transfers.

DO NOT SPLIT A TRANSACTION into separate receipts to bypass your single purchase limit. Contact your supervisor if you find that your single purchase limit is set too low.

PURCHASES

Certain types of purchases need to be coordinated / authorized through other departments and those purchases are subject to the same general limitations:

- Buildings/grounds/trade services requirements will continue to be coordinated through the Maintenance Department.
- Information technology services, equipment and supplies will continue to be coordinated through Technology Services.

Approved Purchase Types:

- Membership, Dues, Subscriptions
- Rental Equipment
- Seminars
- Postage
- Office Supplies
- School Supplies
- Airline tickets

Approved Purchase Types - continued

- Hotel/Motel
- Food, excluding alcohol
- Registration fees
- *Any Personal Services must be approved by the Business Office first!*

Unapproved Card Uses:

- Cash advances
- Personal expenses
- Gasoline for personal vehicles
- Gift Cards (except for student incentives)
- Alcoholic beverages
- Reimbursement of employee out-of-pocket expenses (must be reimbursed by check request)

USING THE CARD:**YOU MUST HAVE A RECEIPT FOR ALL ITEMS YOU PURCHASE.**

- Purchases, with a Funds Request approval, and totaling less than \$1,000 are initiated using your assigned card. Be sure your purchases are within your budget.
- If your purchase is more than \$1,000, you must initiate a purchase order online. Receive approval from your administrator and contact accounts payable to increase your limit for one transaction only.
- You may use the Purchasing Card at any identified merchants in the MCC List (attached).
- It is required at the time of purchase that you receive a receipt. (You may also order by telephone or mail using your Purchasing Card). When you place your order, ask that a receipt be included with the goods when the product is shipped to you. This receipt is the only original documentation.
- The receipt or invoice must contain the following information:
 - Vendor Name and address
 - Date of Purchase
 - Description of each item and the quantity
 - Price per item and extended price
 - Shipping and handling charges
 - Total amount of transaction
- *It is important that the name on your card and your name appear on the invoice.*
- Companies that are frequently used by the District already have the School District Accounts Payable Department in their computer and will likely forward the invoice there.
- Accounts Payable will forward to you – IF YOUR NAME appears on the face of the invoice; if it does not, Accounts Payable will have no idea where to direct the invoice when it arrives.
- You may also purchase on-line. After you send the order, print off the e-mail confirmation as proof of purchase for reconciliation purposes.

RECONCILING YOUR PURCHASES

All transactions must be reconciled **IMMEDIATELY**. Attach receipts, internet confirmations, order forms, etc., to the approved Funds Request and send to accounts payable within 5 days of your transaction.

RETURNS

Goods purchased through a Purchasing Card may be returned for **DIRECT REPLACEMENT** or **CREDIT ONLY**. **Cardholders may not accept a cash refund**. You must keep the credit receipt and original receipt to attach to your log.

RESOLVING ERRORS AND DISPUTES

In case of an error, contact the supplier to reach an agreement. Most disputes can be resolved between you and the supplier directly. If you are unable to reach an agreement with the supplier, call accounts payable. You will be asked to complete a Statement of Questioned Item Form. The bank will flag your account pending an investigation. **ALL DISPUTES MUST BE SUBMITTED IN WRITING TO THE BANK WITHIN 60 DAYS OF THE STATEMENT DATE.**

PAYING THE BILL

The Purchasing Card is a corporate pay arrangement. Account balances will be paid in full every month by ACH transfer. Your purchases will be charged directly to your general ledger account. **DO NOT** send your Purchasing Card Expense Record to accounts payable with a check request!

LOST OR STOLEN CARDS

Your Purchasing Card must be secured, just as you would secure your personal credit cards. If your card is lost or stolen, immediately contact the bank via their toll free number. Also notify the School District Purchasing Card Program Administrator.

REFUSAL OF CARD OR ACCOUNT

If your purchase is declined, the vendor will not know why the sale did not go through. Contact accounts payable to investigate.

DEPARTMENTAL CHANGES

If you transfer or resign your position, **IMMEDIATELY RETURN YOUR CARD TO EITHER YOUR SUPERVISOR OR TO THE PROGRAM ADMINISTRATOR.**

PURCHASING CARD AUDIT ACTIVITY

Your Purchasing Card activity is subject to random audits by the Business Office and/or the district auditing firm to help ensure adherence to the program's policies and procedures.

TRANSACTION LIMITS**Building Level Purchasing Cards**

- Limit per transaction - \$1,000
- Limit per month - \$5,000

Administrative Level Purchasing Cards

- Limit per transaction - \$1,000
- Limit per month - \$5,000 for all administrators except the Superintendent
- Limit per month - \$30,000 for the Superintendent only

Any transactions over \$1,000 must be preceded with a purchase order, and notification to accounts payable to increase the limit. All purchases over \$5,000 must comply with District Policy DJC which includes quote and bidding requirements.

MISUSE OF CARD

Misuse of the card may result in forfeiture of the card, legal action against the cardholder and/or card user, deduction of wages for repayment of discrepancies and disciplinary action up to and including the termination of the cardholder and/or card user.

IF YOU HAVE QUESTIONS ABOUT APPROPRIATE USE OF THE CARD, PLEASE CONTACT YOUR SUPERVISOR BEFORE ACTING!

PERSONAL PURCHASES

VIOLATION: It is a cardholder violation to affect ANY personal purchase with the Purchasing Card, whether or not the cardholder intended to pay Three Rivers School District back for the purchase. Anything that is not purchased for the sole use and ownership by Three Rivers School District will be considered to be a personal purchase.

CASH OR CASH-TYPE TRANSACTIONS

VIOLATION: A cash or cash type transaction made using the Purchasing Card. Examples of illegal transactions are cash advances, cash in addition to purchase, travelers checks, money orders, gambling, ATM transactions, etc. or cash taken in lieu of a credit for the return or exchange of a purchase.

PURCHASE OF ITEMS EXPRESSLY PROHIBITED BY POLICY

VIOLATION: Purchase of Unapproved items listed in the manual is prohibited.

LATE SUBMISSION OF FUNDS REQUEST OR CONTINUAL RECEIPT LOSS

VIOLATION: Failure to submit approved Funds Request, and all receipts and source documentation to the designated department by the required due date. Failure to obtain or retain receipts, packing slips and all other source documents required to reconcile the monthly statement.

BUSINESS SERVICES

The business office is responsible to:

- Pay the monthly bills on time
- Ensure that charges are attributed to the correct accounts (as specified on the Funds Request)
- Ensure initial implementation training is provided to all designated employees
- Conduct internal audits and reviews on all accounts
 - In keeping with Generally Accepted Account Principles (GAAP) recommendations on internal control, Business Services will conduct internal audits of all accounts in order to monitor compliance with Purchasing Card policies. This review includes:
 - **Credit limit vs. actual spending** - Business Services may make recommendations for credit limit adjustments based on past performance on a given account.
 - **Frequency of use** - A Purchasing Card is considered “inactive” if unused for six (6) months. Twelve (12) months of inactivity will result in a review of the account for closure.
 - **Purchasing regulations and opportunities** - In order to discover opportunities for streamlining the program, as well as to ensure compliance with state & local purchasing regulations, Business Services reviews transaction dollar amounts, vendors, number of transactions, etc.
 - **Internal Control and Process Documentation** – Business Services reviews transaction dollar amounts, vendors, and number of transactions to ensure all purchases are approved and in compliance with Purchasing Card policy.

THREE RIVERS SCHOOL DISTRICT
PURCHASING CARD STAFF AGREEMENT
Participating Employee Acknowledgement of Responsibilities

By participating in the School District Purchasing Card Program as a Cardholder, you assume responsibilities pertaining to the operation and administration of the Purchasing Card Program. These responsibilities include but are not limited to the following:

1. The School District Purchasing Card is to be used for school business expenditures only. The Purchasing Card may only be used under the parameters and procedures established for the Purchasing Card Program which are detailed in "The Purchasing Card Guidelines". The School District Purchasing Card **MAY NOT** be used for personal expenses or cash transactions.

Please initial. Yes, I have read and understand the Purchasing Card Guidelines #AF - 10
2. A Purchasing Card will be issued to each school. By accepting the Card, you assume responsibility for the Card and will be responsible for all charges made with the Card.
3. The School District Purchasing Card must be maintained with the highest level of security. If the Card is lost or stolen, or if you suspect the Card or Account Number has been compromised, you agree to immediately notify the bank and the School District Purchasing Card Program Administrator.
4. All charges will be billed and paid directly by the School District. Each transaction must be reconciled immediately. While you are not responsible for making payments, you are responsible for the verification and reconciliation of all account activity. If you do not follow the procedures, your card and cardholder privileges will be revoked.
5. Cardholder Accounts are subject to periodic internal control review and audits designed to protect the interests of the School District. By accepting the Card, you agree to comply with these reviews and audits.
6. Parameters and procedures related to the Purchasing Card Program may be updated or changed at any time. The School District will promptly notify you of these changes.

You agree to surrender and cease use of the Card upon termination of employment. In addition, you must surrender and cease use of the Card if you transfer or relocate. You may also be asked to surrender the Card at any time deemed necessary by the district. Misuse or fraudulent use of the Card may result in disciplinary actions and may be grounds for dismissal.

By signing below, I acknowledge that I have read both the Purchasing Card Cardholder Guide and the Cardholder Agreement and agree to the terms and conditions of these documents. I certify that as a participating Cardholder of the School District Purchasing Card Program, I understand and assume the responsibilities listed above.

Card Number Issued

Date Issued

Employee Signature

Title

Name (Print)

Date

Superintendent/Business Manager Signature

Superintendent
Title

Dan Huber-Kantola
Name (Print)

Date

THREE RIVERS SCHOOL DISTRICT
District Location Purchasing Card Information

Name of Responsible Staff Member: _____

School/Location: _____

Dollar Limit Per Transaction: \$ _____

Dollar Limit Per Month: \$ _____

Authorized Users: _____

<u>THREE RIVERS SCHOOL DISTRICT</u>			
<u>PURCHASING CARD FUNDS REQUEST</u>			
Staff Member:		Location:	
Reason for Expense:			
Amount Not to Exceed:			
Administrator Approval:		Date:	
Date		Account Number	Vendor
Attach receipts, confirmations, order pages, etc., to the back of this form			

<u>THREE RIVERS SCHOOL DISTRICT</u>			
<u>PURCHASING CARD FUNDS REQUEST</u>			
Staff Member:		Location:	
Reason for Expense:			
Amount Not to Exceed:			
Administrator Approval:		Date:	
Date		Account Number	Vendor
Attach receipts, confirmations, order pages, etc., to the back of this form			

Approved Merchant Category Codes

Approved MCC Categories			
MCC	Title		
	Contract Services		Miscellaneous - continued
0763	Agricultural Cooperatives	5192	Books Periodicals and Newspapers
0780	Horticultural and Landscaping Services	5193	Florists Supplies Nursery Stock and Flowers
1520	General Contractors Residential and Commercial	5198	Paints Varnishes and Supplies
1711	Air Conditioning Heating Plumbing Contractors	5199	Nondurable Goods not elsewhere classified
1731	Electrical Contractors		Type of Retail Store
1740	Insulation Masonry Plastering Stonework Tile	5200	Home Supply Warehouse
1750	Carpentry	5211	Building Materials Lumber Stores
1761	Roofing and Siding Sheet Metal Work	5231	Glass Paint Wallpaper Stores
1771	Contractors Concrete Work	5251	Hardware Stores
1799	Contractors Special Trade Not Elsewhere Class	5261	Lawn and Garden Supply Stores
	Business Services	5299	Warehouse Club Gas
2741	Miscellaneous Publishing and Printing	5300	Wholesale Clubs
2791	Typesetting Plate Making and Related Services	5310	Discount Stores
	Airlines	5311	Department Stores
3000	Local Airline Carriers		
	Automobile Rental		Miscellaneous - continued
3351	Local Automobile Rental Agencies	5169	Chemicals and Allied Products - not elsewhere classified 1
	Hotels	5172	Petroleum and Petroleum Products
3501	Most US Hotels	5399	Miscellaneous General Merchandise
	Transportation Conveyer	5411	Grocery Stores Supermarkets
4011	Railroads - Freight	5441	Candy Nut Confectionery Stores
4131	Bus Lines	5451	Dairy Products Stores
4214	Motor Freight Carriers Trucking	5462	Bakeries
4215	Courier Services Air & Ground Freight Forwarders	5499	Miscellaneous Food Stores
4761	Travel Services/Mail/Phone		Automobiles and Vehicles
4784	Bridge and Road Fees Tolls	5511	Automobile and Truck Dealers
4789	Transportation Services Not Elsewhere Classified	5521	Automobile and Truck Dealers(Used Only)Sales
	Utility	5531	Auto Store Home Supply Stores
4812	Telecommunication Equipment Including Telephone Sales	5532	Automotive Tire Stores
4813	Key Entered Telecom Merchant	5533	Automotive Parts Accessories Stores
4814	Telecommunication Service	5541	Service Stations (with or without Ancillary Services)
4815	Master Phone Telephone Service	5542	Fuel Dispenser Automated
4816	Computer Network/Information Services	5599	Miscellaneous Automotive Aircraft and Farm Equip
4821	Telegraph Services		Clothing Services

4900	Utilities Electric Gas Sanitary Water	5651	Family Clothing Stores
	Automobiles and Vehicles	5661	Shoe Stores
5013	Motor Vehicle Supplies and New Parts	5691	Men's and Women's Clothing Stores
	Miscellaneous	5697	Alterations Mending Seamstresses Tailors
5021	Office and Commercial Furniture		Miscellaneous Store
5039	Construction materials not elsewhere classified	5712	Equipment Furniture and Home Furnishings Stores
5044	Office Photographic Photocopy	5713	Floor Covering Stores
5045	Computers Computer Peripheral Equipment Software	5714	Drapery Upholstery and Window Coverings Stores
5046	Commercial not elsewhere classified 1	5718	Fireplace Fireplace Screens Accessories Stores
5047	Dental/Laboratory/Medical/Ophthalmic	5719	Miscellaneous House Furnishing Specialty Shops
5051	Metal Service Centers and Offices	5722	Household Appliance Stores
5065	Electrical Parts and Equipment	5732	Electronics Sales
5072	Hardware Equipment and Supplies	5733	Music Stores
5074	Plumbing and Heating Equipment	5734	Computer Software Stores
5085	Industrial Supplies not elsewhere classified	5735	Record Shops
5099	Durable Goods not elsewhere classified	5811	Caterers
5111	Stationery Office Supplies Printing	5812	Eating Places Restaurants
5122	Drugs Drug Proprietaries and Druggists Sundries	5814	Fast Food Restaurants
5131	Piece Goods Notions and Other Dry Goods	5912	Drug Stores Pharmacies
5137	Men's Women's and Children's Uniforms	5931	Second Hand Stores Used Merchandise Stores
5139	Commercial Footwear	5935	Wrecking Yards

	Miscellaneous Store - continued		Repair Service
5940	Bicycle Shops Sales and Service	7622	Electronic Repair Shops
5941	Sporting Goods Stores	7623	Air Conditioning and Refrigeration Repair Shops
5942	Book Stores	7629	Appliance Repair Shops Electrical and Small
5943	Office School Supply and Stationery Stores	7692	Welding Repair
5961	Mail Orders	7699	Miscellaneous Repair Shops and Related Services
5999	Miscellaneous and Specialty Retail Stores		Amusement/Entertainment
	Personal Service Provider	7829	Motion Picture and Video Tape Production
7210	Cleaning Garment and Laundry Services	7832	Motion Picture Theaters
7211	Laundry Services Family and Commercial	7841	Video Tape Rental Stores
7216	Dry Cleaners	7922	Theatrical Producers Ticket Agencies
7217	Carpet and Upholstery Cleaning	7929	Bands Orchestras and Miscellaneous Entertainers
7221	Photographic Studios	7933	Bowling Alleys
7230	Barber and Beauty Shops	7941	Athletic Fields Commercial Sports etc.
7251	Hat Cleaning Shops Shoe Repair Shoe Parlors	7992	Golf Courses Public
	Business Service	7998	Aquariums, Dolphinariums, and Seaquariums
7311	Advertising Services	7999	Recreation Services (Not Elsewhere Classified)
7321	Consumer Credit Reporting Agencies		Professional Service/Membership Organization
7322	Debt Collections Agencies	8011	Doctors (Not Elsewhere Classified)
7332	Blueprinting and Photocopying Services	8042	Optometrists Ophthalmologists
7333	Commercial Art Graphics Photography	8043	Opticians Optical Goods and Eyeglasses
7338	Quick Copy Reproduction and Blueprinting Service	8044	Optical Goods and Eyeglasses
7339	Stenographic and Secretarial Support Services	8062	Hospitals
7341	Window Cleaning Services	8111	Attorneys Legal Services
7342	Exterminating and Disinfecting Services	8220	Colleges Universities Professional Schools

7349	Cleaning and Maintenance Janitorial Services	8241	Schools Correspondence
7361	Employment Agencies Temporary Help Services	8244	Schools Business and Secretarial
7372	Computer Programming Data Processing	8249	Schools Trade and Vocational
7375	Information Retrieval Services	8299	Schools and Educational Services
7379	Computer Maintenance Repair and Services		Government Service
7392	Consulting Management and Public Relations	9399	Government Services Not Elsewhere Classified
7393	Detective Agencies Protective Agencies	9402	Postage Stamps - Government Only
7394	Equipment Rental Leasing Furniture Tool Rental	9405	Intra Government Purchases Government Only
7395	Photo Developing Photofinishing Laboratories		
7399	Business Services Not Elsewhere Classified		
7511	Truck Stop Transactions		
	Automobile Rental		
7512	Automobile Rental Agency		
7513	Truck and Utility Trailer Rental		
	Automobiles and Vehicles		
7523	Automobile Parking Lots and Garages		
7524	Express Payment Service Merchants Parking Lots and Garage		
7531	Automotive Body Repair Shops		
7534	Tire Retreading and Repair Shops		
7535	Automotive Paint Shops		
7538	Automotive Service Shops		
7542	Car Washes		
7549	Towing Services		