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DISTRICT ACQUISITION REGULATION (DAR)

PART 4

Simplified Contracting Procedures

SUBPART 4.4

Procurement Card Program

DRAFT
District Acquisition Regulation (DAR)
Simplified Contracting Procedures
Subpart 4.4
Procurement Card Program
Table of Contents

4.401. -- INTRODUCTION3

4.402. -- DEFINITIONS.....3

4.403. -- RESPONSIBILITIES5

4.404. -- TRAINING7

4.405. -- ESTABLISHING A P-CARD ACCOUNT.....8

4.406. -- AUTHORIZED USE OF THE P-CARD.....8

4.407. -- UNAUTHORIZED USE OF THE P-CARD.....9

4.408. -- LIMITATIONS OF P-CARD ACCOUNT 10

4.409. -- P-CARD PURCHASE PROCEDURES 10

4.410. -- RECONCILIATION AND PAYMENT PROCEDURES 11

4.411. -- DOCUMENTATION AND RETENTION: 12

4.412. -- MISUSE OF P-CARD (DISTRICT OR HS SSA)..... 12

4.413. -- P-CARD SURVEILLANCE REQUIREMENTS:..... 13

4.414. -- RESOLVING PROBLEMS WITH THE STATEMENT OF ACCOUNT (SOA)13

4.415. -- CANCELLATION OF PURCHASE CARD ACCOUNT 14

4.416. -- SECURITY 14

4.417. -- LOST OR STOLEN CARDS 155

4.418. -- FINANCIAL SERVICES OFFICE (FSO) 15

4.419. -- MERCHANT ACTIVITY TYPE CODE (MAT) 15

4.420. -- HUMAN RESOURCES AND SECURITY..... 16

4.421. -- DISTRICT FUEL CARDS 16

EXHIBIT 1 - SAMPLE DELEGATION OF AUTHORITY 17

EXHIBIT 2 - P-CARD PURCHASE LOG 18

EXHIBIT 3 - P-CARD SURVEILLANCE GUIDE..... 19

EXHIBIT 4 - SAMPLE TRAINING RECORD21

District Acquisition Regulation (DAR) Part 4
Subpart 4.4
Procurement Card (P-Card) Program

4.401. -- Introduction

CSSD11 has entered into a contract for commercial credit card service. The P-card program provides commercial credit cards to district employees to purchase and pay for official district requirements under \$2,500. These procedures provide the cardholder and approving official with instructions on how to use the P-card. In the event that there is a conflict between this Subpart and any bank procedures, these procedures will take precedence. These procedures can also be used for Student Activity Accounts.

4.402. -- Definitions

Activity Type Codes: Codes developed by and customized to code a school's/department's specific needs that during the authorization process will alert the bank to purchases that are prohibited. The codes are also encrypted on the magnetic strip of the card.

Approving Official (A/O): Officially appointed by Executive Director for Procurement and Contracting. This person is responsible for the oversight of one or more cardholders.

Authorization: The process of verifying that a purchase being made is within the established cardholder's limits. Authorization is done by the merchant at the point of sale through verification with the Bank.

Billing Cycle: A period of time, usually 30 days. The bank then post to the cardholders account all accumulated merchant charges.

Blanket Purchase Agreement (BPA): An agreement with a vendor for filling anticipated repetitive needs for supplies or services by establishing an agreement, which may include pre-priced items and delivery arrangements.

Cardholder (C/H): Person to whom a procurement credit card is issued for purposes of making purchases on behalf of their assigned department.

Disputes: A disagreement over a purchase such as the price, performance, receipt delivery etc. The District Procurement & Contracting Department is the Disputes Office. The Purchase Card Program Coordinator (PPC) will assist the cardholder and the Bank in tracking and resolving disputed purchases and transactions.

Electronic Funds Transfer (EFT): A process used to transfer payment of funds electronically. EFT is a faster, more secure method of transferring funds versus using checks.

Executive Director for Procurement & Contracting: The person designated to issue written letters of Delegations of Authority to individuals to make P-card purchases.

Fiscal Services Office: The Fiscal Service Office is the office that provides paying services for the organization using a purchase card.

F.O.B. Destination: Free-on-board, means that the vendor is responsible for shipment until it reaches your destination.

Merchant Activity Type Code (MAT): The Bank categorizes each merchant according to the type of business in which the merchant is engaged, and the types of goods and services provided. The Bank assigns each merchant a corresponding MAT code.

Purchase Card Program (P-card): District's procurement card program is established to simplify the process for making small dollar purchases using a Visa credit card.

Purchase Card Program Coordinator (PPC): A member of the Procurement and Contracting team, to serve as the liaison between the District, and the Bank. This person is also responsible for managing the P-card program including establishing and conducting training and surveillance.

Rebates/Store Coupons: Rebates are normally manufacturer mail-in rebates discounting the cost of the purchase. Store coupons are discounts made at the time of purchase. Cardholder should take advantage of all rebates and store coupons.

Single Purchase Limit (SPL): The maximum amount authorized by a delegated authority. Based on the specific needs of the department the S/P limit may be up \$2,500.

Split Purchases: Conducting two charges for the same requirement, in order to keep the purchases below the single purchase limit.

SSA Activities: Student School Activity Accounts: High schools and Charter schools use of a P-card program was created around student driven funds. These cards will follow the same requirements of the District cards, but is paid directly from the Business offices of the school's holding these cards.

Statement of Account (SOA): The Statement of Account is a monthly listing of all purchases made by the cardholders and all credits authorized by the Bank. Approving officials will also receive a SOA once all charges are transferred to their accounts at the end of the billing cycle.

Statement of Questioned Items (SOQI): A form on which a cardholder claims credit for disputed item, which cannot be resolved with the vendor.

Status of Disputed Transaction: A report prepared monthly listing all unresolved disputes during the last billing cycle.

Suspension: The process in which a department is restricted from making purchases with the district's P-card, due to misuse of the P-card.

Tax Exemption: The District is tax exempt. The tax exemption numbers are embossed on the P-card.

4.403. -- Responsibilities

a. Executive Director for Procurement & Contracting:

1. Responsible for the overall P-card Program.
2. Obtains approval for the program and/or changes to the program from the Superintendent and/or Board of Education as necessary.
3. Appoints the P-card Program Coordinator.
4. Delegates purchasing authority to cardholders through a letter of delegation.
5. Delegates approval authority to approving officials through a letter of delegation.
6. Authority to suspend or terminate P-card privileges to cardholders and approving officials who abuse or violate P-card program procedures.
7. Notifies Division Heads of severe violations for appropriate action to be taken.

b. P-card Program Coordinator (PPC)

1. Responsible for the day-to-day operations of the P-card program.
2. Administers the contract and is the point of contact with the Bank.
3. Develops policies and procedures, and submits to the Executive Director for Procurement & Contracting for approval.
4. Acts as liaison between cardholder, approving officials and the Bank.
5. Develops and conducts training.
6. Processes P-card applications.
7. Establishes reports, and reviews reports problem areas and trends.
8. Prepares letters of delegation for both cardholders and approving officials.
9. Maintains a current listing of all cardholders and approving officials.
10. Maintains a file of individual training records for each cardholder while the cardholder's account remains active.
11. Coordinates the correct distribution of account codes for purchases (N/A for SSA accounts.)
12. Oversees SSA programs at the high school level.
13. Perform surveillances periodically and report findings to Exec. Dir. and A/O's.

c. The Approving Official (A/O):

1. Must be at the same school/department as the cardholder, and the level of responsibility inherent in this position.
2. Can be a cardholder but may not sign off on his/her own charges A/O.
3. Cannot be his/her own immediate supervisor.
4. Should designate an alternate A/O during vacation or emergencies of the primary A/O to avoid statement-processing delays.
5. Has the authority to direct the PPC to cancel the P-card for any of his/her cardholders at any time.

6. Responsible for recommending P-card dollar limits to the PPC for all his/her cardholders and ensure that established limits are not exceeded.
7. Obtains and reviews each of their cardholder's statement of account during monthly reconciliation.
8. Verifies that all transactions were appropriate and were made in accordance with these procedures.
9. Signs each month's master account summary statement and forwards the original along with cardholder's supporting documentation to the PPC within five days of receipt.
10. Retains a copy of cardholder's supporting documentation for one fiscal year (cardholder's printed statement from the VISA Info Source website with notes).
11. Requests cancellation of P-card accounts when appropriate, by sending an email to PPC.
12. Notify the PPC for any adjustments needing to be made to an account by email.
13. Verify, at least semiannually, that cardholders are in possession of their P-cards.
14. Notify PPC when cardholders have retired, resigned, or no longer have cardholder responsibilities.
15. Responsible for the correct account code distribution for cardholders reporting to the A/O (N/A for SSA)
16. A/O's will forward a signed copy of SSA control statements along with a copy of check mailed to bank for payment to PPC.
17. High School business offices are responsible for payment and reconciliation of their schools expenditures monthly. This office is also responsible for the retention of all receipts from charges made using the District SSA cards.

d. The Cardholder:

1. Is the person who is issued a P-card, in their name, authorizing them to make purchases for the district within the limitations of their particular P-card authority.
2. Ensures that funds are available to pay for items being purchased, especially when using administrative funds; prior authority is received (i.e. grants and title one funds).
3. Ensures that any supply or service purchased using the P-card is authorized, see 4.406 c relating to required authorizations prior to purchase.
4. Must ensure that the purchase limits established for their accounts are not exceeded.
5. Can not make an unauthorized purchase or carelessly use the P-card. The C/H may be liable to the district for the total dollar amount of the unauthorized purchase.
6. Take advantage of all rebates, discounts, discounted pricing schedules and store coupons.

NOTE: In the event that the cardholder makes a purchase that causes the over expenditure of the budget, cardholder and A/O acknowledge that the deficit creating purchase provides authorization for the Budget Office to automatically transfer budget from the nearest, similar account with sufficient funds. Alternatively, the budget office may request a budget transfer from the school/department to be posted within 24 hours to remedy the deficit account.

4.404. – Training

- a. The PPC is responsible for training all Cardholders and Approving Officials in the uses and requirements of the P-card program.
- b. The completion of P-card training is required prior to the issuance of a district P-card or a SSA P-card.
- c. The length of the required orientation sessions will be established by the PPC; however, a minimum of two hours is recommended.
- d. All trainees must sign a statement of training certifying that they have received the P-card training; they understand the training provided; they have been provided the P-card training materials that can be utilized for future reference; and, they understand the penalties associated with misuse of the card. A sample of the training record is provided at exhibit 4.
- e. Training record documentation shall be retained by the PPC for each cardholder while the cardholder's account remains active. A copy will also be forward to each school or department's business office.
- f. The training program will cover, but not necessarily be limited to, the following subject areas:
The District's internal operating procedures;
 1. Cardholder and Approving Official responsibilities;
 2. Specific guidance on use of mandatory sources;
 3. DAR Part 3, Business Relation;
 4. DAR Part 4: Simplified Purchases;
 5. Hazardous materials;
 6. Competition and price reasonableness;
 7. Prohibition against splitting purchases;
 8. Rotating sources
 9. Instruction on use of warranties
 10. Use of Grant and Title funds at school locations
 11. Fuel card use at determined locations
 12. Ethics training
 13. Available report products, statements of account, and invoice reconciliation procedures and
 14. Travel usage.
 15. VISA Info Source online Reconciliation.

4.405. -- Establishing a P-card Account

- a. Department Heads or Principal of the requiring activity prepares a letter requesting appointment of proposed cardholders, approving officials and alternate approving officials.
- b. The letter of appointment (see exhibit 1) will fully describe the types of purchases to be made; including appropriate merchant activity type (MAT) codes; identify the name, work title, and telephone number of cardholders and approving officials. The requested limitations including single purchase limit, a monthly cardholder limit, and a monthly office limit.
- c. The letter shall be forwarded to the P-card Program Coordinator (PPC) for processing.
- d. The PPC sets up the P-card account with the Bank subject to the requested limits after training.
- e. In setting up a P-card account, the PPC shall incorporate district driven merchant codes. Cardholders will not be assigned the MAT code "000" unless specified in writing that a justification exists for an unrestricted code.
- f. The P-card bears the cardholders name and may only be used by the named cardholder.
- g. The P-card is imprinted with the District's logo and sales tax exempt number to avoid being mistaken for a personal credit card.
- h. The PPC will coordinate single and monthly purchase limits with the designated approving official and will forward the required set-up documentation to the Bank.
- i. A delegation of authority letter will be forwarded to the cardholder after the required training is completed. This letter delegates the authority to the cardholder to purchase supplies, equipment, and services with the P-card subject to the limits explained in the letter.
- j. The Bank will mail the P-card to the cardholder or designated distribution point within five workdays after the Bank receives the cardholder's account setup information.

4.406. -- Authorized Use of the P-card

- a. The P-card shall only be used to purchase and pay for authorized district requirements. These include supplies, equipment and non-personal services up to \$2,500.
- b. The P-card can only be used for purchases and/or payments above the single purchase limit when the following criteria is met:
 1. For actions against Blanket Purchase Agreement which have been established through the contracting office.
 2. Other types of written agreements which have been established and approved by the contracting office.
 3. Purchases made for textbooks and other instructional materials using the Procurement Office approved on -line ordering process.

- c. The following types of commodities require the cardholder to obtain specific authorization, from the specified controlling departments, prior to making the purchase. The phone numbers for the various offices are provided; however, this does not mean that a verbal authorization is appropriate. All actions should be done in writing when dealing with the below departments.
 - 1. Textbook Approval 520-2016
 - 2. Hazardous and Potentially Hazardous Materials (Haz Mat) phone 477-6023;
 - 3. Software Licensing phone 520-2968;
 - 4. Warehouse (inventory) phone 520-2138;
 - 5. Facilities (real property) phone 477-6007;
 - 6. Print Plant Operations phone 520-2124;
 - 7. A/V & Technology Equipment 520-2988; and
 - 8. Telecommunications 520-2140
 - 9. Science Chemicals (for schools) 520-2034

- d. Medicaid Supported Purchases
 - 1. Physician prescribed medication with prior approval of school nurse.
 - 2. Only the Medicaid cardholder (at the District Admin building SPED office) will make arrangements for payment using P-card.

- e. Travel and Registration:
 - 1. All travel out of state requires the signature of the Superintendent on the travel request form. Once this is obtained the cardholder needs to contact the PPC. The C/H will email the PPC with the following information (i.e. dates of travel and any other information needed to open the card for this use.).
 - 2. In-state travel will not need the Superintendent's signature on the travel request form. Email info sent from the school/department should state the travel dates and the location of travel in order for the PPC to open their card for hotel and registration payment.

4.407. -- Unauthorized Use of the P-card

- a. Purchases above \$2,500 are unauthorized except as specifically authorized in 4.406(b).
- b. Cash advances are prohibited under this P-card program.
- c. Purchases of alcoholic beverages and tobacco and drugs (except for those approved by school nurses using Medicaid funds.).
- d. Purchase and payment for restaurant meals (exception is be: Facilities employees during extreme weather conditions and high school SSA cards for limited food payment with prior approval by the school's A/O and Business Office.).

4.408. – Limitations of P-card Account

- a. The P-card account is subject to a single purchase limit, a monthly cardholder limit, and a monthly office limit.
- b. Unless a lower limitation has been established for a particular department or cardholder, no single purchase on the card will ever exceed the purchase threshold of \$2,500.
- c. A single purchase limit does not mean that a purchase is limited to a single item. A single purchase limit means that multiple items may be purchased; however, the cash register receipt for that store purchase cannot exceed the C/H's single purchase limit.
- d. P-cards and SSA P-cards exceeding 2,500 must be competed (three bids) and then authorized by the Exec. Dir. of Contracting at which time (if authorized) a letter of exception to policy will be issued and kept in the cardholder's folder.

4.409. -- P-card Purchase Procedures

- a. All contracting, supply and finance regulations apply to P-card purchases and must be complied with. Cardholders must also comply with the following procedures when making purchases:
 1. Establishes and maintains a log of all purchases. See Exhibit 2 for example of procurement log.
 2. Ensure that funds are available in district accounts to pay for items being purchased.
 3. Ensure that the supply or service is not one that must be purchased from a required source.
 4. Ensure that the price includes delivery, i.e., free on board (F.O.B.) destination. All transportation costs should be included in the purchase price for the P-card. Only fixed price transactions are authorized with the use of the P-card.
 5. Notify the vendor that the purchase is tax exempt.
 6. Rotating Sources: Purchases maybe made without securing competition if the cardholder considers the price to be fair and reasonable. Whenever practical, solicit supplies from other than the previous vendor.
 7. Verify that the quantity and quality of the items or services furnished are in accordance with the agreement (verbal or written) with the vendor.
 8. Verify that the dollar amount is correct and that no sales tax has been included on invoice. If sales tax has been charged the C/H has the responsibility of contacting the vendor for a credit or they can come out of pocket for the amount charged on their card.
 9. The total of a single purchase may be comprised of multiple items, but it cannot exceed the authorized single purchase limit (SPL). Purchases will be denied if the authorized SPL has been exceeded.
 10. Payment for purchases shall not be split in order to stay within the SPL. Any purchases that will exceed 2,500 must be approved unless assisted by the contracting office and an exception to policy letter is issued.
 11. Sign the sales draft and retain a copy for record purposes and for verification of the monthly Statement of Account (SOA). All original receipts need to be turned into the PPC to be archived.

12. Cardholder's shall get a purchase receipt prior to going to VISA info source reconciliation. Once this is accomplished, all receipts will be turned into the A/O for signature. The school/department will then attach all documentation to the cardholder statement printed off by the cardholder and forward them to the PPC.
- b. Telephone/Electronic purchases: When placing a telephone order to be paid using the P-card, the cardholder shall:
 1. Notify the vendor that the purchase is tax exempt.
 2. Confirm that the vendor agrees to charge the P-card when shipment is made so that receipt of the supplies may be certified on the monthly online reconciliation.
 3. Instruct the vendor to include the following information on their packing slip .
Cardholder Name and School or department
Street address, room number,
City, State, Zip code
And the term "Credit Card"
 4. Notify vendors not to submit invoices to Accounts Payable.
- c. Manufacturer/Retailer Rebates and Store Coupons: Cardholders should take advantage of all rebates and coupons offered. Manufacturer/retailer rebates shall be made payable or endorsed to the Colorado Springs School District No. 11.
- d. All items or services purchased must be delivered or performed before being charged to the P-card.
- e. The merchant must deliver all items purchased by telephone and paid for using the P-card within the 30 day billing cycle. The order shall not be placed without this assurance. If an item is not available immediately, back ordering is allowed only if merchant will not charge account until items are shipped.

4.410. -- Reconciliation and Payment Procedures

- a. Each month the cardholder must reconcile their charges online at Visa Information Source. The Visa website itemizes each transaction posted to an account during the past billing cycle. Whenever the cardholder goes on line to reconcile and allocate charges they must:
 1. Review the entire statement for accuracy, comparing each transaction on the SOA with those on purchasing log.
 2. If the transaction amounts agree and the item(s) have been received or services have been performed, then check off the transaction and allocate accordingly.
 3. If there is a problem with any of the transactions on the SOA such as non-receipt of item or incorrect charge, see the section 4.414 on resolving problems.
 4. Retain all documentation in accordance with paragraph 4.411.

5. Sign the printed cardholder statement and forward along with all original documentation to the A/O within two working days. If no receipt is available to send with the statement, attach an explanation that includes a description of item, date of purchase, merchants' name, and why no supporting documentation has been turned in. This statement must be signed by, both the cardholder and principal and/or director. After C/H has attempted to get a copy from the vendor.

- b. If the cardholder is not available between the 3rd through the 10th day of each month, the front office staff will go online and conduct their reconciliation for them. The cardholder must forward the purchase log and all documentation to the cardholder's front office. If after the cardholder returns and receipts have not been turned into the PPC, they will be forwarded and archived upon cardholders return to work.

4.411. -- Documentation and Retention:

- a. Cardholders shall maintain a copy of all documentation for their records as well as turning in to PPC the original documentation supporting purchases being reconciled. The documentation to the printed C/H statement from the Visa website will be attached and forwarded through the A/O.
- b. After online reconciliation, the A/O will sign and forward all supporting documents (receipts and C/H statement) to the PPC.
- c. The PPC will review and box supporting documents for the Department for retention.
- d. Documents generated at the PPC level supporting cardholders and A/O's (e.g., training records, surveillance records, delegation of authority, etc.) will be retained as long as the cardholder and A/O are performing that function. Keep for one year after termination of authorization and then destroy.

4.412-- Misuse of P-cards (District or HS SSA)

- a. If as a result of findings from a surveillance visit, or by any other means, it is discovered that the cardholder is in violation of these procedures, a letter, signed by the Executive Director for Procurement & Contracting, will be sent to the cardholder's approving official, with a copy provided to the cardholder. The letter must state that a violation (described in some detail) was discovered or is occurring. Based on the severity of the violation, one of the following actions will be taken:
 1. The monthly purchase limitation for that particular cardholder will be zeroed or, the purchase authority for the particular cardholder will be suspended for (state the period of time). In either case, the authority will not be reinstated until the cardholder's approving official takes appropriate action against the cardholder, and cardholder receives remedial training on the District's P-card policy and procedures.

2. After the above-described actions have been accomplished, the monthly purchase limitation or purchase authority may be changed to reflect the previous requested amount.
3. Further offenses will be grounds to revoke the P-card privileges permanently for that cardholder.
4. The cardholder may be held personally responsible for unauthorized purchases.

4.413 -- P-card Surveillance Requirements:

- a. Surveillance will be conducted by the Procurement and Contracting office on a random basis. Newly appointed cardholders will be randomly chosen at the discretion of the PPC.
- b. The surveillance guide (see exhibit 3) will be used to accomplish the surveillance. Surveillance activities will consist of on site reviews of randomly selected cardholders.
- c. The PPC will meet with the cardholder to discuss each finding of noncompliance.
- d. Surveillance results will be maintained on file in the PPC's office for two years.
- e. Copies of the surveillance results will be forwarded to the approving official and the Executive Director for Procurement & Contracting.

4.414. -- Resolving Problems with the Statement of Account (SOA)

- a. Problems with the SOA usually fall into one of the categories listed on the Cardholders Statement of Questioned Items (SOQI) form. In most cases cardholders will be able to resolve problems by contacting the vendor. If problems cannot be resolved with the vendor the cardholder will have to submit a SOQI form to the PPC to be forwarded to the bank. For certain problems cardholders should delay submission of a SOQI until they receive next month's SOA. Other problems may dictate immediate submission of a SOQI. The following will help to determine the correct approach for resolving problems:
 1. Merchandise/Service not received: Contact the vendor to verify that shipment has been made or service rendered. Make a note of non-receipt in the "disputed items" column of the purchase log. If after 45 days and upon receipt of the next month's SOA the department still has not received the item(s), then submit a SOQI.
 2. Merchandise returned or a credit not received: Attempt to resolve by contacting vendor, record questioned amount as a "disputed item" on the purchase log. If upon receipt of the next month's SOA the account has still not been credited for the question amount, then submit a SOQI to the PPC.
 3. To resolve any other types of incorrect charges including unauthorized mail or phone order, duplicate processing, alteration of amount, unrecognized charge: contact the vendor. If the cardholder cannot resolve the problem with the vendor, then immediately forward a SOQI to the PPC. The cardholder should also keep and copy for their records.
 4. Any time a SOQI is forwarded to the Bank, a copy should be forwarded to their A/O, with another copy to the PPC. Or the PPC can forward the SOQI to the bank.

5. If the disputed charge involves sales tax charged erroneously by the merchant the amount of the tax cannot be disputed through Visa charge back regulations. Cardholders shall make every effort to obtain a credit for the amount of the tax from the merchant. If a credit is not obtained, ordering agencies must pay the tax costs out of pocket. Do not file a SOQI for this transaction.
6. Each month the bank distributes a “Status of Disputed Transaction” report in addition to the SOA, which lists all unresolved disputes as well as those resolved during the last billing cycle. The PPC must review this report monthly or quarterly depending on the amount of SOQI reported. If dispute is denied by the bank, the cardholder’s organization will be responsible for payment of the charge in question.
7. If items purchased with the P-card are found to be defective, the cardholder should obtain a replacement. If the merchant refuses to replace or correct the faulty item, the cardholder will consider the item in dispute, and contact the PPC for assistance. Items in dispute are handled in the same manner as billing errors.

4.415. -- Cancellation of Purchase Card Account

Upon employment termination, administrative leave, retirement or reassignment to another department or school the cardholder must surrender their P-card to their A/O. The A/O will forward instructions the PPC for closure and destruction of card. The PPC will cancel the account with the Bank and document cardholders file.

4.416. -- Security

The cardholder shall safeguard the P-card and account number at all times. When the P-card is not used, it shall either be carried on the cardholder’s person (in their wallet or purse) or secured in a locked container. A cardholder shall not allow anyone to use his/her P-card or account number in his/her absence. A violation of this trust may result in withdrawal of the P-card from that cardholder.

4.417. -- Lost or Stolen Cards

- a. Immediately notify the Bank, the PPC and your A/O in the event a P-card is lost or stolen. If the cardholder suspects the account number has been compromised in a fraudulent manner contact the bank immediately.
- b. The Bank can be notified 24 hours a day by calling the number provided by the Bank. Submit a written report on lost or stolen cards to the PPC within two workdays. The report will include:
 1. The P-card number, the cardholder's complete name
 2. The date and location of the loss, the date reported to police;
 3. The date and time the Bank was notified;
 4. Any purchase(s) made on the day the P-card was last used, prior to being lost or stolen;
 5. Any other pertinent information
- c. A new P-card will be mailed within four days of the reported loss or theft. If the cardholder finds the original P-card, it shall be cut in half and given to the A/O who will complete the destruction notice and forward it to the PPC.

4.418. -- Fiscal Services Department (FSD)

- a. The FSD is responsible for the proper posting of P-card-transactions into the general ledger of the District. However, it is the responsibility of the A/O to ensure that documentation is submitted to the PPC in a timely manner. The PPC will then load the appropriate materials for FSD to post it to the general ledger.
- b. P-card-invoices will be paid according to the billing cycle. The FSD will pay the merchant bank based on the SOA. Payments will be made on an exception bases, meaning that all purchases are assumed valid until protested by the cardholder, A/O and PPC. Successful protests of invalid transactions will be credited upon payment of a subsequent SOA.
- c. The FSD will not reconcile A/O's certified SOA's to invoices paid prior to processing the invoice for payment.
- d. Upon receipt of the approved invoice from the PPC, FSD will process for payment and file in accordance with the department records retention schedule for invoices.

4.419. -- Merchant Activity Type Code (MAT)

These codes are used as an authorized activity type on an individual's card to flag those merchants that are unauthorized for that cardholder. The codes assigned to cardholders shall be tailored to reflect their duties and the mission of their departments. The MAT codes are encrypted on the magnetic strip of the card.

4.420. -- Human Resources and District Security

Human Resources will contact PPC of changes in employment of any district cardholder. Should HR contact the PPC about suspending a cardholder's card, it will be zeroed and a letter sent to the A/O or as appropriate depending on the circumstances.

If the Security Office is conducting a confidential investigation, a card may be suspended without notification to the cardholder. The A/O will be made aware of this suspension.

4.421. -- District Fuel Cards

When possible it is highly encouraged for District vehicles should fill up at the district fuel point located at Geiger Blvd.

All High schools will be responsible for the use of fuel cards for their activity buses. Fuel cards should be signed for by driver when keys are given. It is required to have a receipt for the purchase of gas using the district fuel card. Failure to surrender a receipt upon the return of bus or vehicle keys will require the driver to surrender payment for the amount of fuel purchased using the School District 11 fuel card.

If your school allows unleaded fuel to be purchased to fill additional vehicles on road trips they will still be required to turn in a receipt. Failure to do such will result in payment being surrendered by the driver of the vehicle(s) accompanying the activity bus.

High school's that lease's their activity bus to another school or group other than District 11 school are not authorized to use the District fuel card and should not be in possession of the District Eleven fuel card.

Exhibit 1 - Sample Delegation of Authority

TO: «FirstName» «LastName», «Organization»

FROM: John Elliott

DATE: May ??, 2007

SUBJECT: Authorization to Use the CSSD 11 Purchase Card (P-Card)

You are hereby authorized to purchase supplies and non-personal services and to pay for them using the CSSD11, P-card. Any single purchase shall not exceed your limit determined by your approving official, nor may your total monthly purchases exceed what your approving official has established. File this delegation of authority with your P-card documents for future reference.

The supplies and non-personal services you obtain with the P-card must be for official requirements and be consistent with your assigned responsibilities and your card purchase limits, including commodity restrictions, set by your approving official. This authorization does not exempt you from requirements to obtain certain supplies or services from sources under contract with the district as the approved single provider.

All purchases using the P-card shall comply with District Acquisition Regulation (DAR) 4.4. Misuse of the P-card may result in disciplinary action and your personal liability to refund the district for the unauthorized purchase(s). It is understood that any use of the P-card for internet buying must conform with the district's information technology policy regarding unauthorized use of the internet. P-card holders must ensure that safeguards are observed before providing the cardholder's card number to any on-line vendor.

The use of the P-card will be periodically reviewed by your approving official, who may order the card cancelled or retained, whichever is determined appropriate. If you should transfer from your present position for any reason, this delegation terminates and your card must be returned to your approving official for destruction.

If you have any questions, please contact Carole "CJ" Johnson at 520-2040.

1Exhibit 2 – P-CARD PURCHASE LOG

| | | | | | | | | | | |
|----------------------------------|--------------------------|--------------------|---|-----------------|-------------------|------------|---------------------|-------------------------|--|---------------------|
| SCHOOL / DEPT: | | | SCHOOL / DEPT. ACCOUNT # 10-000-00000-00-000000-0000 | | | | | | | |
| ITEM PURCHASE INFORMATION | | | CROSS ACCOUNT NUMBER (IF DIFFERENT FROM ABOVE) | | | | | P-CARD STATEMENT | P-CARD \$ | |
| | | VENDOR NAME | | | | | | | | |
| DATE | ITEM DESCRIPTION | | xx FUND | xxx DEPT | xxxxx PROG | SRE | xxxxxxx ACCT | xxxx CLASS | TOTAL \$ <small>(matches with P-card stmt amt)</small> | CARD BALANCE |
| | BEGINNING BALANCE | | | | | | | | | \$5,000.00 |
| | | | | | | 00 | | | | 5,000.00 |
| | | | | | | 00 | | | | 5,000.00 |
| | | | | | | 00 | | | | 5,000.00 |
| | | | | | | 00 | | | | 5,000.00 |
| | | | | | | 00 | | | | 5,000.00 |
| | | | | | | 00 | | | | 5,000.00 |
| | | | | | | 00 | | | | 5,000.00 |
| | | | | | | 00 | | | | 5,000.00 |
| | | | | | | 00 | | | | 5,000.00 |
| Cardholder Signature | | Date | Supervisor/Principal Approval Signature | | | | | Date | | |

Exhibit 3 - P-CARD SURVEILLANCE GUIDE

PURPOSE: To document compliance with procedures associated with the P-card Use.

SCHOOL DISTRICT ELEVEN PURCHASE CARD SURVEILLANCE *Location Review -- FY 2004*

School/Organization Reviewed:

| | YES | NO |
|--|----------------------------|----------------------------|
| 1. Have you allowed anyone other than yourself to make purchases with your card? | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Are you ensuring a receipt is being sent to you for telephone and internet purchases during the 30 day billing cycle? (Para 4.409b) | <input type="checkbox"/> C | <input type="checkbox"/> |
| 3. Is a log being maintained for all purchases made using the P-card? (Para 4.409a.1) | <input type="checkbox"/> C | <input type="checkbox"/> C |
| 4. Does the cardholder identify purchases on their logs when the receipt does not describe items purchased? (Para 4.410) | <input type="checkbox"/> C | <input type="checkbox"/> C |
| 5. When making purchases that require additional approval (i.e. Haz Mat, computer, text books or audio visual items) is there documentation supporting the request? (Para 4.406d) | <input type="checkbox"/> C | <input type="checkbox"/> C |
| 6. Has all equipment purchased been properly tagged and added to their department or school's property list? (Para 4.406d) | <input type="checkbox"/> C | <input type="checkbox"/> C |
| 7. If no receipt is available to forward to the Approving Official, has the cardholder attached a letter of memorandum explaining the items purchased, date of purchase merchant's name, amount and the reason why no supporting documentation was forwarded? (Para 4.410) | <input type="checkbox"/> C | <input type="checkbox"/> C |
| 8. Does the Approving Official review each of their cardholder's monthly statement(s), sign the control account billing statement and forward them to the program coordinator by the 20th of each month? (Para 4.410) | <input type="checkbox"/> C | <input type="checkbox"/> C |
| 9. Does the school, department and cardholder retain copies of receipts and statements made under their account? (Para 4.411) | <input type="checkbox"/> C | <input type="checkbox"/> C |
| 10. Does the cardholder know how to dispute items purchased on their card? (Para 4.414) | <input type="checkbox"/> C | <input type="checkbox"/> C |
| 11. During reconciliation are schools checking for sales tax charges, and are you (C/H) Ensuring the return of those funds to their district accounts? | <input type="checkbox"/> C | <input type="checkbox"/> C |

12. If a cardholder is offered a rebate from a manufacturer/retailer are you (C/H) sending in The rebate and forwarding the check to Finance? (Para 4.409c)

13. Are A/O's notifying the procurement office about closing cards within their account?

14. Has cardholder enrolled P-card on UMB.com. Cardholder must login.

15. Is this cardholder a SSA (Student Social Activity) cardholder? **(High School Only)**

16. Does SSA C/H and the Business office keep copies of their receipts?

17. Does the Business Office send a copy of payment check and control statement to procurement ?

18. Interview Approving Official: assess the knowledge of their program.

19. Is the on line reconciliation process understood (if applicable)?

1-No knowledge, 2-Poor, 3-Fair, 4- Good, 5- Very knowledgeable.

Approving Official/Cardholder --Date Program Coordinator/Reviewer -- Date

Exhibit 4 - Sample Training Record

1. I have received, read, and understand the Cardholder Instruction Guidebook.
2. I have received, read, and understand School District's 11 Internal Procedures for using the P-card.
3. On _____, I received training by Contracting and Procurement on P-card procedures. I understand how to properly use the P-card to obtain micro purchase supplies and non-personal services. I understand that the card has restricted use and agree to abide by those restrictions.
4. I am aware of the standards of conduct, which may affect my use of the P-card.
5. I understand the reconciliation requirements and the disputes processing.
6. **I understand that the card is the property of School District 11, assigned to me by request from my Department or Principal, in the event of willful or neglect default of these obligations, the School District may take any recovery action deemed appropriate, that is permitted by law.**

CARDHOLDER or APPROVING OFFICIAL:

Signature: _____ Date: _____

Print Name: _____

Department: _____ Phone #: _____