

# 1. INTRODUCTION

## **PROCUREMENT CARD PROGRAM**

The Springfield R-12 School District (hereinafter referred to as District) is initiating a procurement card system to be used for orders less than \$1000. The procurement card is designed to improve efficiency in purchasing supplies from suppliers that accept Visa, thus, eliminating the need to process multiple invoices and the need to draft checks to pay each supplier. The staff member (hereinafter referred to as Cardholder) is responsible for and accountable to the District for all charges made with the procurement card. This card cannot be used for personal purchases, or for personal identification under any circumstances. The card will be embossed with the Cardholder's and Department's name and total responsibility and accountability resides at the department level.

### **1.2 PROGRAM/SOFTWARE**

The program the District has chosen is provided by United Missouri Bank, (hereinafter referred to as UMB). UMB utilizes Visa Information Management for the P-Card software to generate management reports and other usage information.

### **1.3 P-CARD SUPPORT**

#### **Purchasing Department**

The Purchasing Department processes new card applications, processes/approves cardholder limits and changes of mailing address, conducts training and audits, updates User's Guide, and provides support and assistance on purchasing related issues.

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**Accounting Department**

Accounting will process billing/payment at the end of the cycle; conduct training and audits, and provide support and assistance on accounting related issues.

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**United Missouri Bank (UMB)**

UMB Service Department can be contacted for general assistance and information.

Lost/Stolen Cards.....1-888-494-5141

Inquiries and Billing Error Notices.....1-800-821-5184

Written letters mailed to: Bank Card Center  
P.O. BOX 419734  
Kansas City, MO 64141-6734

\*\*Notify Purchasing whenever a card has been lost or stolen at 417-523-0071.

## **2. POLICY**

### **2.1 PROCUREMENT POLICY**

For the purpose of efficiency in administration and management, departments can be authorized to make purchases of supplies and materials direct from any vendor when the dollar value is less than \$1,000.00. Purchases must be in accordance with Springfield R-12 policies. Delegation of purchasing is a privilege, which can be revoked.

**This policy does not apply to the following purchases:**

- A.** Items available from Supply Center
- B.** Goods or services normally provided by other SPS departments.
- C.** Travel Expenses -Meals. Use Travel Expense Voucher form. Meal for student can be purchased on card while away on travel (field trip, sport events). Staff must pay for meals and fill out travel reimbursement form. Food for staff meeting or a working lunch (bagels, pizza, doughnuts, and drinks) is allowed to be put on the procurement card. These charges must come out of an activity account whenever possible.
- D.** Service Agreements (excluding one-time repairs under \$1,000.00)
- E.** Computer software that requires execution of license agreements or contracts
- F.** Lease agreements
- G.** Blanket orders
- H.** Prepaid orders
- I.** Construction materials

- J.** Capital equipment (Generally defined as having a life span of 3 years regardless of value.)
- K.** Sales Tax
- L.** Personal services or gifts\*
- M.** Items which are covered by existing Springfield R-12 School District contracts. Examples of some contracts are:
  - Computer or computer related purchases from –
  - Hewlett Packard
  - Forms – OTC
  - Copy Equipment
  - Facsimile Equipment
  - Cellular Telephones

\*The District will not make payment for any purchases for personal or private use by District personnel. Items purchased for office use that might be considered personal must have the approval of the Associate Superintendent (e.g., pictures, plants). Cardholder must submit a copy of the approval/documentation with the Procurement Card Receipts before payment will be made.

## **2.2 CONFLICT OF INTEREST**

District employees shall faithfully discharge their duties and shall refrain from knowingly engaging in any outside matters of financial interest incompatible with the impartial, objective, and effective performance of their duties. They shall not realize personal gain in any form which would influence improperly the conduct of their District duties. They shall not knowingly use District property, funds, position or power for personal or political gain. They shall inform their supervisors in writing of reasonably foreseen potential conflicts. Conduct by an employee that violates the Districts

policies, regulations or rules pertaining to conflict of interest shall constitute a breach of the employment contract and may lead to disciplinary actions.

### **2.3 SPLITTING/STRINGING PURCHASES**

Splitting or stringing purchases is the practice of issuing multiple purchase orders for purchasing like items or services with the willful intent to circumvent the purchasing policy of soliciting bids.

**Splitting or stringing of purchases is prohibited.** Splitting or stringing of purchases will be dealt with as an impropriety and may result in suspension of visa card privileges for repeated offenses.

### **2.4 PERSONAL CHARGES**

Personal charges are not allowed on the P-Card. If a personal charge is made, even unintentional, the P-Card privileges will be suspended. P-Card privileges will be suspended for a period of one month upon the first offense. The second offense will result in the P-Card privileges being suspended for one year, and a third offense will result in P-Card privileges suspended permanently. If a personal charge appears on the P-Card statement, and a credit is issued within the same billing cycle, no action is necessary. Any and all violations of the P-Card program can also lead to disciplinary action depending on the severity of the violation. It is the cardholder's responsibility to request use of their P-Card back in writing (email) after the suspended time period is met. Email the Purchasing Card Coordinator for the District at [mbentley@spsmail.org](mailto:mbentley@spsmail.org) to make the request.

## **2.5 ADDITIONAL APPROVALS**

District has endorsed for accreditation, standardization, safety, and consistency, policies and procedures which require departments to obtain approval from internal individuals or groups in advance of purchase. These policies apply regardless of the procurement method used. Below is a listing of most of the product classifications requiring additional approvals.

1. Computers – Newly introduced computer related hardware and software must be approved by Information Technology Service Department prior to purchase. Computers, Printers, Scanners and any software are examples of items requiring prior approval.
2. Construction – All construction requirements, whether for repairs, remodeling or new construction shall be handled through the Facilities Design and Development Department.

## **2.6 TAXES**

The District is tax exempt and should not pay for sales tax. The Cardholder is responsible for insuring that sales tax is not charged at the time of the purchase. Some suppliers may request a copy of the tax-exempt form. A copy of our sales tax exemption letter is available as needed. The sales tax exempt number is also included on all cards. If you are charged tax, it is the responsibility of the cardholder to request a credit from the supplier as soon as possible after discovering the error.

## **2.7 AUDITING OF PURCHASES UNDER \$1,000.00**

The District Accounting Department and District Purchasing Department, as well as the District Internal Auditor will conduct periodic audits to:

- Determine if departments are purchasing items that are available (or should be made available) in the Supply Center or from other District Sources
- Determine if unauthorized items are being purchased
- Determine if items were actually received and are being used for District purposes
- Determine if invoice prices and extensions are correct
- Determine if departments are splitting and/or stringing purchases to keep individual orders under \$1,000.00
- Determine if departments are making follow-up inquiries for delinquent deliveries, shortages, damaged, or incorrect materials
- Determine if adequate departmental control records are being kept
- Determine if departments should be allowed to continue the privilege of making direct purchases

### **3. PROCUREMENT CARD SYSTEM**

#### **3.1 PROCEDURE FOR OBTAINING PROCUREMENT CARD**

To make application for a procurement card, the following forms must be completed, signed by the Cardholder and Manager, and forwarded to the Purchasing Department.

- VISA Purchasing Card Application – it is the Cardholder and Department Manager’s responsibility to review the Department’s current spending to determine the appropriate controls, (i.e., the

amount of credit to be extended to the cardholder, and the maximum number per billing cycle)

- Visa Purchasing Card Agreement

### **3.2 PROCUREMENT CARD TRAINING**

All Cardholders are required to attend P-Card training. Upon receipt of the Cardholder's card, Purchasing will contact the Cardholder to schedule training. The Cardholder will be requested to sign a form acknowledging receipt of the card and will need to sign the Purchasing Card Agreement form.

**Note: It is mandatory that Managers attend visa card training if their employees intend on using the District P-Card.**

### **3.3 USE OF PROCUREMENT CARD**

The Procurement Card is issued to staff who make purchases on behalf of the District. The fact that you have been provided with a card does not imply prior approval of all purchases. Cardholders must follow proper procedures for the procurement card. Dollar amount shall not exceed \$999.99 per transaction (including all shipping, handling, freight charges).

### **3.4 CANCELLATION OF CARDS**

Cards should be immediately canceled if a staff member terminates employment or transfers to another department. It shall be the Department Manager's responsibility to reclaim the card, cut it in half, and send the destroyed card to Purchasing along with a Business Procurement Card Account Maintenance Form indicating Account closure (see attached form). If an employee transfers to another department that will require the use of a procurement card in

the new position, a new application must be filled out, and a new card must be issued.

### **3.5 CARD LIMITS AND LIMIT INCREASES**

The card has two limits set on it, a single limit transaction of \$999.99 and a monthly limit of \$5000.00. The monthly limit can be increased by calling the Purchasing Department and making a request. The single limit can be increased on a case by cases basis for purchases limited to: airfare, hotel expenses, registrations and some field trip expenses (such as tickets to a theme park). Please call the Purchasing Department Administrator to make a single limit increase request.

### **3.6 HOW TO USE THE PURCHASING CARD**

**Please note that the Cardholder is the only person authorized to make purchases using their card. Giving your card or card number to another person to make a purchase, or using someone else's is in violation of the policy and may result in a suspension of the P-Card privileges**

#### **Purchase in Person**

The fact that you have been provided with a card does not imply prior approval of all purchases. Follow proper internal procedures specific to your department to obtain authorization to make the purchase.

Determine whether the purchasing card is the most appropriate tool to use for this purchase (check the list of

excluded charges in the purchasing card policy to make sure that it's not a restricted item).

Be sure the total amount including freight will not exceed your card's single purchase limit.

Determine that the price quoted is the best you can reasonably obtain.

Be aware that the District has contracts for many ongoing use items. All of the contracts in place are located on the Purchasing Department's website at <http://springfieldpublicschoolsмо.org/depts/purchasing/pricing.htm>

Ensure that NO sales tax is charged. Tax ID # is listed on the purchasing card, and included with this information

Obtain a receipt at the time of purchase. DO NOT facilitate approval of purchases without receipt.

Always retain all boxes, containers, special packing slips, etc., until you are certain that you are going to keep the goods. The Cardholder is responsible for inspecting the goods.

**A. Purchase by Phone**

Follow the applicable instructions for making purchases in person. In addition:

Be sure that the total amount (including all shipping, handling, freight, etc) will not exceed your card's single purchase limit.

When you call, state that you are calling from the Springfield R-12 School District and that you will be making your purchase on a VISA Purchasing Card.

**NOTE:** Many Companies provide discounts through their Educational Sales Department. Ask for that department first.

Emphasize that the District is **EXEMPT** from sales tax.

If items will be shipped: Remember to give the supplier your name, department, phone number and complete delivery address.

Ask for a confirmation number when placing the order, give the supplier your Purchasing Card number and expiration date. Indicate to vendor that a receipt and packing slip showing itemized pricing information is to be sent with the purchase. Retain this with your record of the purchase.

**B. Purchase by Fax**

Follow the applicable steps for making purchases in person or by phone as listed above. Retain a copy of the order form and fax confirmation, if available, for your records.

Do not mail the original to the Company, to prevent a duplicate order. If the Company requires that the original be sent, be sure to clearly mark it “Confirmation Only: Order placed by fax & date.”

**C. Purchase by Mail**

Follow the applicable steps for making purchases in person, by phone or by fax as listed above.

Retain a copy of the order form and the address it was mailed to, and indicate to vendor that an itemized receipt is to be sent to you for your records.

**D. Purchases over the Internet**

Follow the applicable steps for making purchases by mail.

When placing an order from a web site, you can check to see if the site is running a secure web server by looking at the **key symbol** in the lower left-hand corner of Netscape’s web browser. If the **key is broken** the web server is **not secure** and your credit card number will be sent across the Internet in plain text. While the chances are small, someone intercepting your message would be able to read your credit card number. Therefore, if the **key is broken do not enter credit card number** and don’t place the order. If the key is solid, the web server is running the secure web server software and your credit card number will be encrypted. Encryption transforms data into unreadable form to ensure privacy.

Department policies and good judgment should be used when ordering over the Internet.

**F. Required Documentation**

A receipt or some sort of documentation must support each purchase. The preferred documentation is listed below in order of preference.

1. An original receipt from the vendor including vendor name, amount, date, and itemized description of item(s) purchased.
2. Copies of facsimiles or other documentation received from the vendor
3. Packing slip or other documentation received from the vendor.
4. Screen print, when making Internet purchases, or a copy of an order form that was mailed to the vendor.
5. If no receipt/documentation is available, every attempt must be made by the cardholder to obtain an additional copy. If the cardholder is unsuccessful after every attempt, a lost receipt affidavit must be filled out and turned in with the paperwork. The lost receipt affidavit must provide detailed information, including a listing of the items purchased. (Please note: stating in the Item Description that the items were “supplies for a meeting,” for example, is not acceptable documentation.) A cardholder may submit up to 3 lost receipt affidavits in a fiscal year. After 3 lost receipt affidavits have occurred in a fiscal year, the following disciplinary actions will be taken:

- 4<sup>th</sup> lost receipt affidavit: Suspension of P-Card for one month.
- 5<sup>th</sup> lost receipt affidavit: Suspension of P-Card for one year.

\*\*If card suspension occurs repeatedly, the card may be revoked permanently.

**NOTE:** The more documentation the better. If a receipt shows a limited amount of information or only has part numbers, added information from the Cardholder is beneficial.

### 3.7 RETURNS, DAMAGED GOODS, CREDITS

If goods purchased with a Purchasing card need to be returned, the Cardholder should work directly with the supplier. Here are some tips:

- A. Always retain boxes, containers, special packaging, packing slips, etc. until you are certain you are going to keep the goods. Some items such as software or fragile pieces cannot be returned without original packaging materials.
- B. Read all enclosed instructions carefully. Often a phone number and other instructions are included on the packing slip and/or receipt.
- C. Many suppliers require you to obtain a **“Return Authorization Number”** before they will accept a return. If you neglect to get this number when it is required, the package may be refused and/or no credit issued to your account.

- D. Request a credit receipt for returned items. Some companies may not provide the receipt unless requested.
- E. In some cases there may be a restocking fee (usually a percentage of purchase price). If the supplier is completely responsible for the error or problem you should not have to pay this, or any other fee. However, if they are not fully responsible you may have to pay. You may use the purchasing card to pay this fee as long as it does not exceed any of your limits.
- F. Lastly, make sure that the charge for the returned items never appears on your monthly statement, or is credited properly.

### **3.8 RECONCILIATION**

Procurement card transactions are transmitted daily by the merchants to UMB which are transmitted to VISA and then are posted onto the Visa Information Management web site.. These transactions are then made available “on-line” for the Cardholders/Department Managers to review. As each transaction is reconciled, the Cardholder/Department Manager must go in to the Information Management Site to allocate each individual charge. Each P-Card is assigned a default GL account number. It is the responsibility of each site’s P-Card Administrator to ensure each charge is applied to the correct GL account. The GL Account numbers may be changed multiple times until the files are imported by the Purchasing Department 2 business days after the billing cycle has ended. All paperwork MUST be sent to Accounts Payable 4 business days after the billing cycle has ended.

### **3.9 PAYMENT TO UMB**

It is imperative that Departments adhere to reconciling the transactions in a timely fashion as the payment has to be made to UMB by the 25<sup>th</sup> of the month to avoid interest charges.

### **3.11 RETURNS AND CREDITS**

In the event that an item is returned due to damage, wrong item sent, etc., the Cardholder must attach a credit receipt, or state that one was requested and that it will be received at a later date, etc. The Cardholder must work directly with the supplier on returning items. The following are some recommended guidelines:

- Always retain boxes, special packaging, packing slips, etc., until you are certain you are going to keep the item. Some items such as software for fragile pieces cannot be returned without the original packaging materials.
- Read all enclosed instructions carefully. Often a phone number and other instructions are included on the packing slip and/or receipt.
- Many suppliers require you to obtain a “Return Authorization Number” before they will accept a return. If you neglect to get this number when it is required, the package may be refused and/or no credit issued to your account.
- Request a “credit receipt” for return items. Some companies may not provide this receipt unless requested. If a “credit receipt” is available, attach it to the Transaction Report.
- In some cases there may be a restocking fee (usually a percentage of the purchase price). If the supplier is completely responsible for the error or problem you should not have to pay this, or any

other fee. However, if they are not fully responsible you may have to pay. You may use the Purchasing Card to pay this fee as long as it does not exceed any of your limits.

\*\*\*Make sure that the charge for the returned items

- (1) Never appears on your monthly statement or
- (2) Is credited properly

If this does not happen, refer to the section on “Disputed Transactions”

### **3.12 DISCREPANCIES**

Any discrepancies in billing must be marked as disputed charges using the on-line system. A “Cardholder Dispute Form” must be completed and faxed to UMB to have the charge temporarily removed from the P-card and investigated by UMB. The Purchasing Department will need to be notified that such measures have been taken. Accounts Payable will also need to be notified if the charge is not being paid for.

### **3.13 DISPUTED TRANSACTIONS-DISPUTE OF THE STATEMENT ITEM**

Items that appear on the monthly “Transaction Report” can be disputed, as long as the disputed transaction is reported to UMB within thirty (30) days after the statement’s closing date.

If there is a charge that is not recognized by the cardholder, or another problem, the cardholder should submit a “Dispute” form to UMB via fax or mail and submit a copy to the Accounting Department. During UMB’s investigation, the charge will be paid by the bank, and a credit will be issued upon completion of

investigation. When the investigation is complete, you will be notified of the resolution. If you are not satisfied with the resolution, please contact the Accounting Department immediately.

### **3.14 DISPUTED TRANSACTIONS – DISPUTE WITH SUPPLIER**

If you have a problem involving a dispute with a supplier (such as you are claiming the item doesn't work and the supplier claiming it does) and you are unable to obtain satisfaction directly from the supplier, please notify UMB, the department Manager and Accounting Departments using the "DISPUTE" form. Be sure to describe the problem and the efforts you have made in attempting to resolve it.

UMB will assist you in every way possible. As above, if you are not satisfied with the resolution, please contact the Purchasing Department.

### **3.15 LOST, STOLEN, MISPLACED CARDS**

Immediately upon realizing the Procurement Card is lost, stolen or misplaced, the Cardholder must notify:

- UMB PHONE # 1-888-494-5141, tell the representative the call is regarding a Purchasing Card...**Help is available 24 hours a day, 7 days a week.**
- Purchasing department (417) 523-0071
- Department Manager

NOTE: The Cardholder is liable for all charges incurred until the card is reported lost, stolen, or misplaced.