

Emery County School District



Policy: DGD—Purchasing Cards

Date Adopted: 1 January 2001
Current Review / Revision: 1 January 2001

The purpose of the Purchasing Card Program is to establish a more efficient, cost effective method of purchasing and payment for small-dollar transactions. The program is designed to replace a variety of processes including petty cash, local check writing, low-value authorizations, cash advances, expensed purchases and certain purchase orders.

All cards are issued at the request of your supervisor. Card usage may be audited and/or rescinded at any time. You are the only person entitled to use your card! It is not transferable.

This booklet provides the guidelines under which you may utilize your Purchasing Card. Please read it carefully. Your signature on the enclosed Cardholder Authorization indicates that you understand the intent of the program and agree to adhere to the guidelines established for the program. You will receive your U.S. Bank Purchasing Card upon receipt of the signed Agreement to Accept the Purchasing Card, and you may begin using it immediately upon receipt. As you use the card, please contact the business administrator if you have questions.

Record-keeping will be essential to ensure the success of this program. This is not an extraordinary requirement—standard reimbursement policies require retention of receipts, etc. And as with any charge card, you must retain receipts for your protection.

Finally, remember you are committing school district funds each time you use the U.S. Bank Purchasing Card. It is the responsibility of the card holder for all charges to their card.

Obtaining a Card

We recommend that you read the Policy and Procedures section in its entirety before requesting your U.S. Bank Purchasing Card. This section provides a variety of information about the process, the types of purchases that can and cannot be made, who will accept the card, records that must be maintained and reconciled monthly and miscellaneous information about the program.

After you read this and understand the procedures outlined, complete a New Account Information Record. Indicate your office address on the form. All requests will be processed through the Program Administrator.

Your supervisor must indicate approval by signing the form. All requests will be processed through the Program Administrator.

Read carefully and sign the Agreement to Accept the Purchasing Card. Ask your supervisor to sign the agreement as well and present it with your New Account Information Record to receive your U.S. Bank Purchasing Card.

When you receive your card, sign the back of the card and always keep it in a secure place! Although the card is issued in your name, it is the property of the school district and is only to be used for school district purchases as defined in this document.

General Information

- The program helps to eliminate the use of petty cash, cash advances for small-dollar purchases, requests for checks, local check writing and the use of personal funds reimbursed by expense report.
- The program is NOT intended to avoid or bypass appropriate purchasing or payment procedures. Rather, the program complements the existing processes available.
- The program is not intended to replace the current travel program.
- The card is not to be used for personal use.
- The program can be used for in-store purchases as well as mail, telephone and fax orders.
- The U.S. Bank Purchasing Card may be used for payment with all suppliers who accept the Visa card throughout the United States and internationally.
- You are responsible for the security of your card(s) and the transactions made with the card(s). The card is issued in your name and it will be assumed that any purchases made with the card will have been made by you. Failure to comply with the guidelines established for this program may result in severe consequences, up to and including termination of employment.

Eligible Purchases

- Subscriptions, seminars, books, video tapes
- Catering or small dining services
- Laundry of uniforms, lab coats, etc
- Miscellaneous maintenance requirements
- Sympathy, congratulations flowers
- Office supplies, forms
- Computer forms, software, maintenance expenses
- Electronic database services
- Automotive repair for field personnel
- Postage

Ineligible Purchases

- Any item exceeding your purchasing limits

- Any merchant, product, or service normally considered to be inappropriate use of school district funds
- Capital equipment
- Entertainment
- Cash Advances
- Stock items available through our warehouses or through approved ordering systems or programs
- Services (including 1099 eligible)

Each card will have merchant category code groups blocked according to district purchasing policies. Although items secured through blanket orders and negotiated contracts are not to be purchased through this program, specific amounts may be established with the help of your supervisor and Program Administrator to release goods and pay for goods using this program. These charges must be set up independently from your usage card.

Program Restrictions

No transaction may exceed your single purchase limit in value. If you have an unusual, one-time transaction, which will exceed the limit, notify your manager, who will ask the plan administrator to contact US Bank. US Bank can then manually approve the transaction. Each card has been assigned an individual monthly credit limit. The limit is based on previous purchasing activity. If you find over time that the limit is too low to accommodate your monthly requirements, please contact your supervisor to re-evaluate your limit. If your supervisor agrees that it would be appropriate to raise your limit, the supervisor should contact the program administrator so the US Bank personnel can perform appropriate maintenance. US Bank will not change your credit limit without the approval of the plan administrator. The monthly cycle ends on the 10th of each month. You will receive your statement from US Bank 3-5 days after. Also, your account will be reset to zero on the day after the cycle date.

Some suppliers have been “blocked” from usage in the program. If you present your card to any of these suppliers, the transaction will be declined. It is likely that any supplier you currently utilize as a source for products or services will accept your card. If you are declined and feel the decline should have not occurred, call the 800 number on your card. US Bank customer service will determine if you were declined because of merchant blocking or having exceeded the monthly credit limit or single-purchase limit imposed on your card.

Cost Accounting

Each card has a single general ledger function hard coded into its accounting code line. The purpose of this program is to simplify processes for small dollar purchases.

In many cases, these purchases will now be categorized in a special US Bank account code and will no longer be divided into a variety of departmental accounts. However, for those purchases that need to be directed to different cost accounts, whether for legal, accounting, or contract issues, it may be appropriate for you to designate each charge to represent these specific accounts.

Reconciliation & Payment

The US Bank Purchasing Card Program carries corporate, not individual, liability. Invoices will be paid by the Accounts Payable Department and you will not be required to pay your Monthly Statement using personal funds. The program does not impact your personal credit rating in any way.

Receipts & Documentation

If you purchase via phone or mail, ask the supplier to include the receipt with the goods when the product is shipped to you. This receipt is the only original documentation specifying individual items purchased and whether or not sales tax has been paid against the purchase. It is also used in reconciling the monthly statement. The original monthly statement and receipts must be signed by your supervisor to indicate approval and review.

Each cardholder will receive a statement identifying all transactions made against the card during the previous billing cycle. The statement must be reconciled against retained receipts for accuracy. Please forward your reconciled statement with receipts attached to your supervisor for review and approval. The statement and receipts will then be forwarded within 10 days following receipt of statement to the Accounts Payable Department for retention and use in the annual audit. Please retain a copy of the information for your records.

Actual payment of a central invoice will be made by Accounts Payable; however, your activity may be audited at any time.

Reconciling Statements

There may be occasions when items on your statement do not correlate with the entries in your log or your retained receipts. You may not have made the transaction, the amount of the transaction may be incorrect, or you may have a quality or service issue.

Your first recourse is to contact the supplier involved to try to resolve the error. If the supplier agrees that an error has been made, he/she will credit your account. Highlight the transaction in question on your log as a reminder that the item is still pending resolution.

If the supplier does not agree that an error has been made, contact US Bank Customer Service using the 800 number on the back of your Purchasing Card. State that you would like to dispute a charge on your card. You will be asked to submit the information in writing so that US Bank can research the disputed item. You may fax the completed Purchasing Cardholder Dispute Form to your representative at US Bank. The amount of the next invoice will be reduced by the amount of the disputed item until the transaction in question is resolved.

Any transaction you wish to dispute must be identified in writing within 60 days of the statement date. Disputes will then be resolved by US Bank within 90 days.

You are responsible for the transactions identified on your statement. If an audit is conducted on your account, you must be able to produce receipts and/or proof that the transaction occurred. If an error is discovered, you are responsible for showing that the error or dispute resolution process was completed.

Lost or Stolen Cards

The US Bank Purchasing Card is school district property and should be secured just as you would secure your personal credit cards. If your card is lost or stolen, notify the Program Administrator, and contact US Bank Customer Service immediately! Written confirmation of cancellation must then be accomplished by mail or fax.

Upon receipt of your call, further use of the card will be blocked. Prompt action in these circumstances can reduce the school district's liability for fraudulent charges.

Sales & Use Tax

Suppliers will typically include sales tax at the time of purchase. The school district's sales tax exempt number is printed on the card. It is the employee's responsibility to verify sales tax has not been charged at time of sale.

Suppliers

Anyone from whom you currently purchase goods or services should be considered a potential supplier of the US Bank Purchasing Card Program—even if they don't currently accept Visa. The program is not restricted to retail suppliers only!

Although we do not endorse Visa or any of its associated banks specifically, we encourage suppliers to become involved in the US Bank Purchasing Card Program so that cardholders can use the program most effectively.

Suppliers may contact their local bank or financial institution to become Visa capable, or they may contact the provider of the Purchasing Card Program, US Bank, Minneapolis, Minnesota, for assistance. These institutions can implement the processing of charge card transactions by suppliers.

Summary

- Suppliers are paid within three days of your business transaction. Please indicate to suppliers that you do not wish to be invoiced, as an invoice could result in duplicate payment.
- The program is designed to be simple and easy to use, providing you with the materials needed to perform your job more quickly and efficiently. However, appropriate controls must also be maintained to ensure the ongoing success of the program.
- We ask you to exercise good judgment and act responsibly when using your Purchasing Card. The Purchasing Card is issued in our name, and all activity will be assumed to have been incurred by you. We ask you to always retain your receipts!
- In addition, random audits may be conducted for card activity and retention of receipts/sales slips. Consequences, ranging from suspension of cards to termination of employment, will be invoked for improper use of the program.
- We continue to improve the way we conduct business. Your use of this program in conducting your daily business can help us make significant change in eliminating a variety of manual transactions. If you have any questions about the program or need additional information, please contact the Program Administrator.

Agreement to Accept the U.S. Bank Purchasing Card

The U.S. Bank Visa® Purchasing Card represents Emery County School District's trust in you. You are empowered as a responsible agent to safeguard district assets. Your signature below is verification that you have read the policy & procedure on purchasing cards as well as the following responsibilities. It also acknowledges that you have received the U.S. Bank Visa® Purchasing Card # _____-_____-_____-_____.

1. I understand the card is for district-approved purchases only, and I agree not to charge personal purchases.
2. Improper use of this card can be considered misappropriation of district funds. This may result in disciplinary action, up to and including termination of employment.
3. If the card is lost or stolen, I will immediately notify U.S. Bank by telephone. I will confirm the telephone call by mail or facsimile with a copy of the notification to the Program Administrator.
4. I agree to surrender the card immediately upon termination of employment, whether for retirement, voluntary or involuntary reasons.
5. The card is issued in my name, I will not allow any other person to use the card. I am considered responsible for any and all charges against the card.
6. All charges will be billed directly to and paid directly by the district. The bank cannot accept any monies from me directly, therefore any personal charges billed to the company will be considered misappropriation of district funds.
7. As the card is district property, I understand that I may be periodically required to comply with internal control procedures designed to protect district assets. This may include being asked to produce the card to validate its existence and account number. I may also be asked to produce receipts and statements to audit its use.
8. I will receive a Monthly Reconciliation Statement, which will report all activity during the statement period. Since I am responsible for all charges (but not for payment) on the card, I will resolve any discrepancies by either contacting the supplier or the bank.
9. The charges made against my card are automatically assigned to the cost center assigned to the card as specified by management. This code cannot be changed without management involvement.
10. I understand the U.S. Bank Purchasing Card is not necessarily provided to all employees. Assignment is based on my need to purchase materials for the school district. My card may be revoked based on change of assignment or location, I understand that the card is not an entitlement nor reflective of title or position.

Employee Signature

Approving Supervisor Signature

Approving Plan Admin Signature

Employee Printed Name

Approving Supervisor Printed Name _____

Approving Plan Admin Printed Name

Date: _____

Date: _____

Date: _____