

# Procurement Card Manual

Policies & Procedures



**MATANUSKA-SUSITNA**  
BOROUGH SCHOOL DISTRICT

# CONTENTS

<b>1.0</b>	<b>Introduction.....</b>	<b>3</b>
<b>2.0</b>	<b>Program Administrator Roles.....</b>	<b>3</b>
2.1	Accounting Department.....	3
2.2	Purchasing Department.....	4
2.3	Administration, External Auditors, and Reviewing Agencies.....	4
<b>3.0</b>	<b>Cardholder Roles.....</b>	<b>4</b>
3.1	Cardholder.....	4
3.2	Reconciler.....	5
3.3	Approver.....	6
<b>4.0</b>	<b>Obtaining a P-card.....</b>	<b>6</b>
4.1	Account Configuration and Spend Profiles.....	6
4.2	Cardholder Eligibility and Request.....	7
4.3	Training.....	8
4.4	P-card Pickup and Account Activation.....	8
<b>5.0</b>	<b>Making Purchases with a P-card.....</b>	<b>9</b>
5.1	Acceptable Purchases.....	9
5.2	Unallowable/Unauthorized Purchases.....	12
5.3	Sales Tax.....	13
5.4	Purchase Documentation.....	13
5.5	International Transactions.....	13
5.6	P-card Shipping Address.....	13
5.7	P-card Billing Address.....	14
<b>6.0</b>	<b>Managing Transactions.....</b>	<b>14</b>
6.1	Reviewing Transactions.....	14
6.2	Reconciling Statements.....	15
<b>7.0</b>	<b>Record Retention.....</b>	<b>16</b>
<b>8.0</b>	<b>Securing the P-card.....</b>	<b>16</b>
8.1	Storage.....	16
8.2	Lost or Stolen Cards.....	17
<b>9.0</b>	<b>Cardholder and Spend Profile Changes.....</b>	<b>17</b>
<b>10.0</b>	<b>P-card Suspension and Cancellation.....</b>	<b>17</b>
<b>11.0</b>	<b>Violations.....</b>	<b>18</b>
<b>12.0</b>	<b>Contact Information.....</b>	<b>19</b>
12.1	P-card Administrators.....	19
12.2	Bank of Montreal.....	19
	<b>Additional Resources.....</b>	<b>19</b>
	<b>Revision History.....</b>	<b>20</b>

## 1.0 INTRODUCTION

The Matanuska-Susitna Borough School District (District) Procurement Card (p-card) Program is designed to streamline procurement processes and improve efficiencies by reducing the number of requisitions, purchase orders, checks, petty cash requests, and the use of personal funds for business purchases, while still maintaining necessary financial controls to safeguard the public resources that the District has been entrusted to manage.

Purchases made with p-cards do not require processing at the accounts payable level, which reduces costs (e.g., check printing, postage) and increases the speed of payment. A procurement card should be used whenever it is allowable to do so.

While p-card use is encouraged in order to promote efficiency, cardholders must adhere to the Procurement Card Manual as well as established policies, regulations, procedures, and guidelines in order to ensure the appropriate use of public funds.

Cardholders, reconcilers, and approvers are responsible for understanding and following all purchasing policies, procedures, guidelines, and the Procurement Card Manual.

## 2.0 PROGRAM ADMINISTRATOR ROLES

Business Services is responsible for administration of the p-card program. The following groups have oversight and compliance roles:

### 2.1 Accounting Department

**P-card Administrators** are Accounting Department staff who are responsible for the day-to-day management of the program. A p-card administrator's roles and responsibilities are to:

- Serve as point of contact between the District and Bank of Montreal (issuing bank).
- Provide customer service to cardholders as it relates to the program.
- Use discretion when configuring the cards' merchant controls and credit limits when issuing p-cards.
- Perform p-card account maintenance including p-cardholder profile changes, and transaction limit changes.
- Provide training for card users.
- Perform program reconciliation, and compliance reviews/audits.
- Perform annual cardholder transaction reviews to determine appropriate merchant controls and credit limits.
- Suspend p-cards due to low usage, when cardholders are on leave with a duration of longer than one month, or due to violations of district policy, procedures, guidelines, or the Procurement Card Manual.
- Cancel p-cards after an employee has been terminated/transferred, or due to violations of District policies, regulations, procedures, guidelines, or the Procurement Card Manual.

## 2.1 Accounting Department, cont.

- Maintain the Procurement Card Manual.
- Ensure that all p-card transactions are recorded into the District's financial records.
- Ensure timely reconciliation and processing of monthly Bank of Montreal payments.
- Import p-card transactions from Bank of Montreal into the Tyler Technologies Enterprise Resource Planning (ERP) system.
- Conduct periodic audits to monitor compliance with District policies, regulations, procedures, guidelines and the Procurement Card Manual.

## 2.2 Purchasing Department

Purchasing reviews buying patterns and analyzes p-card usage data to ensure compliance with purchasing policies and to identify opportunities for price negotiation or the solicitation of bids. The Purchasing Department must be contacted for pre-approval of capital expenditures and expenditures for services.

## 2.3 Administration, External Auditors, and Reviewing Agencies

All transactions are subject to review by District administration, external auditors, and other agencies in order to test for compliance with District policies, regulations, manuals, procedures, and guidelines; federal, state and local laws; and restrictions or other constraints imposed by agencies or donors.

# 3.0 CARD USER ROLES

For the purposes of the p-card program, the term **card user** includes cardholders, reconcilers, and approvers. The roles and responsibilities for each type of card user are described below.

## 3.1 Cardholder

A **cardholder** is an employee in whose name a p-card is issued, and who is responsible for protecting access to the card and ensuring its proper use. The cardholder has the following responsibilities:

- Abide by all District policies, regulations, procedures, manuals, and guidelines when using the p-card.
- Follow proper departmental procedures for determining that a proposed purchase is ordinary and necessary, authorized, and that expenditures are within the approved budget.
- Determine if the p-card is an appropriate method of payment. Refer to sections 5.1 Acceptable Purchases, and 5.2 Unacceptable Purchases.
- Ensure that sales taxes are not charged on the p-card, unless unavoidable.
- Use a p-card for any allowable purchases on behalf of the District, instead of using employee expense or petty cash reimbursement, unless unavoidable.
- Obtain itemized receipts (or allowable substitutes).
- Clearly write "P-card", last name, and if applicable, absence number, on original receipts, and submit transaction documentation to department/location p-card reconciler weekly.

### 3.1 Cardholder, cont.

- Provide the description and purpose for each transaction to the reconciler.
- If food/beverages are purchased, provide names of attendees or group name, and the business purpose of the meeting on receipts/supporting documentation.
- Cardholders have the ultimate responsibility for ensuring that all monthly p-card transactions are validated and submitted to department/location p-card reconciler.
- Obtain quotes and packing lists when applicable. Refer to Board Policy 3311 and Administrative Regulation 3311.
- Ensure all purchases are received, and/or services rendered.
- Promptly contact merchants to resolve delivery problems, discrepancies, or issues such as damaged goods.
- Dispute transactions not resolved with the merchant.
- Immediately report suspicious or erroneous charges to the Bank of Montreal and the p-card administrator.
- Maintain custody or storage of the p-card and p-card records in a secure location.
- Report a lost or stolen p-card immediately.
- Sign the P-card Cardholder Agreement, indicating that the cardholder is aware of and understands the responsibilities of being a cardholder and agrees to adhere to the terms and conditions thereof.
- Maintain a copy of the signed P-card Cardholder Agreement in the cardholder's department.

### 3.2 Reconciler

A **reconciler** is an employee who is responsible for reconciling p-card transactions. Many administrative secretaries serve as reconciler for their own card, while most other District cardholders use proxy reconcilers, which is designated at each department/location. Both reconcilers and proxy reconcilers, (from this point referred to simply as reconcilers), have the following responsibilities:

- Abide by all District policies, regulations, procedures, manuals, and guidelines when reconciling p-card transactions, and immediately report any potential violations to the p-card administrator.
- Compare itemized receipts to p-card transactions to ensure charges are accurate.
- Process each p-card transaction and statement in ERP system, including account code, description, and backup documentation, within five days of statement close.
- Attach supporting documentation in ERP system for all transactions.
- Maintain p-card statement and backup documentation per record retention policies.
- Ensure that p-card statements and transactions are reconciled by stated deadlines.
- Sign the P-card Reconciler Agreement, indicating that the reconciler understands p-card policy and procedures and agrees to fulfill the responsibilities thereof.
- Maintain a copy of the signed P-card Reconciler Agreement.

### 3.3 Approver

An **approver** is an employee who is responsible for approving transactions in the ERP system after they have been released into workflow. Approvers are often the direct supervisor of the cardholder, and they must not be the final approver for their own p-card statements. An approver must have a higher-level position of authority than the cardholder, be an individual other than the reconciler, and should be in the same department/location, unless otherwise approved by Business Services.

An approver must:

- Have authority to charge expenditures against the approved budget(s) of the school/department.
- Sign the P-card Approver Agreement, acknowledging agreement to fulfill the responsibilities of an approver.
- Maintain a copy of the signed P-card Approver Agreement.
- Thoroughly review each transaction's supporting documentation and code allocation within ERP system to ensure charges are business-appropriate and comply with District policies, regulations, procedures, and guidelines.
- Ensure prior approval to purchase was obtained for any transactions allocated to a grant, capital expenditure, or service.
- Determine if the p-card was the appropriate method of payment. Refer to sections 5.1 Acceptable Purchases, and 5.2 Unacceptable Purchases.
- Approve transactions and statements within 10 days of p-card statement date.
- Reject transactions and statements within 10 days of p-card statement date in order to allow time for correction to descriptions, account codes, and electronic receipt copy maintenance.
- Ensure that reconciler maintains p-card transaction receipts as required by record retention policy.
- Report suspicious or erroneous charges and violations of District policy, regulations, procedures, or guidelines immediately to the p-card administrator.
- Verify that the cardholder attempted to avoid sales tax charges with the merchant and resolved sales tax charges if unable to avoid.
- Facilitate compliance reviews and compliance audits.
- Accept ultimate responsibility for ensuring that p-card statements are reconciled by required deadlines.

## 4.0 Obtaining a P-card

### 4.1 Account Configuration and Spend Profiles

The District's p-cards are Mastercard branded cards issued by the Bank of Montreal. Each cardholder is assigned to a specific location and has customized transaction limits based on need and direct supervisor request.

## 4.1 Account Configuration and Spend Profiles, cont.

### Card Types

There are two types of cards available: **individual cards** and **departmental cards**.

Individual cards are the most common type of p-card issued. These cards are issued on a limited basis, and are reserved for individuals whose positions require the ability to make purchases on behalf of the District. All requests for individual p-cards require approval of the supervisor and p-card administrator.

Currently only the Accounting Department has departmental cards, which have been issued in order to make utility payments electronically on behalf of the District .

### Transaction Limits

The two kinds of transaction limits that are configured within each spend profile are the monthly credit limit and the international charge limit.

The **monthly credit limit** is the total dollar amount that can be charged to a p-card over the course of a p-card billing cycle. Monthly credit limits should be requested based on spending needs. The cardholder's supervisor may request temporary or permanent changes to monthly credit limits when necessary. The p-card administrator may also adjust monthly credit limits based on spend analysis in order to reduce the risk of loss in the event that a card is compromised. All p-card applications requesting monthly credit limits greater than \$25,000 require executive level approval.

The default **international charge limit** is set to deny any dollar amount of out of country purchases. Cardholders may request the limit be removed temporarily to allow for an out of country purchase. To make this request, cardholders must be able to demonstrate a specific business need.

## 4.2 Cardholder Eligibility and Request

Cardholders must be District employees required to make purchases as part of their job, and have a demonstrated business need to make p-card purchases on an ongoing basis throughout each year. Student employees, substitute only positions, and independent contractors, will not be issued p-cards. A new cardholder request must be submitted by the direct supervisor/approver and contain the following information:

- Cardholder Legal Name
- Cardholder requested monthly credit limit
- Employee Active Directory Number
- Birthdate
- Department supervising the cardholder
- Cardholder direct supervisor

### 4.3 Training

Upon receiving a p-card request, the p-card administrator will contact the cardholder, approver, and reconciler and backup approver (when applicable) to arrange training.

Training may be presented in live sessions or via self-study resources.

Cardholders will receive their p-cards only after they have completed training and signed **P-card Cardholder Agreements**.

After approvers have completed training, they are required to sign a **P-card Approver Agreement**, which they must submit to the p-card administrator.

Refresher training is provided to all card users as needed or upon request. All card users will have access to training materials and recorded sessions.

### 4.4 P-card Pickup and Account Activation

The p-card administrator will order a new p-card upon receipt of a p-card request. All p-cards are mailed directly to the Accounting Department. P-cards generally arrive within two weeks of the order being placed.

When the p-card arrives, the p-card administrator will contact the cardholder to arrange pickup.

- Administrative Building cardholders must pick up p-cards in person in the Accounting Department (photo identification is required).
- Cardholders from other locations may arrange, with the p-card administrator, to have another employee pick up the card (photo identification is required) or may elect to have their p-cards delivered to the business office for their location.

Upon receipt of a new p-card, the cardholder must:

1. **Activate the card** by calling the phone number or visiting the website listed the attached sticker. During the activation process, it may be necessary to provide the card number and other identifying information. The phone number associated with p-cards is 907-746-9200. Contact the p-card administrator if activation is unsuccessful.
2. **Set security questions and password** by logging in to Spend Dynamics using the link in the Spend Dynamics welcome email.



## 5.0 MAKING PURCHASES WITH A P-CARD

### 5.1 Acceptable Purchases

P-cards may be used to pay for District educational or business operational purchases that are allowable under the District policies, regulations, manuals, and guidelines, and which align with cardholder spend profiles.

Purchases must comply with all other District policies that guide specific categories of purchases. Those policies include, but are not limited to:

- BP 2300 and AR 2300 CONFLICT OF INTEREST
- BP 3310 and AR 3310 PURCHASING PROCEDURES
- BP 3311 and AR 3311 BIDS
- BP 3312 and BP 3312.02 CONTRACTS
- BP 3452 SCHOOL AND STUDENT ACTIVITY FUNDS
- BP 4058 and AR 4058 TRAVEL EXPENSES
- Non-Personnel Spending Guidelines

The p-card is only a method of payment and all purchases must still be in compliance with the same requirements as purchases paid for by check, or ACH.

#### Allowable Purchases

- Travel, as permitted in board policies, regulations, procedures, and guidelines
- Association dues
- Professional and business subscriptions
- Meeting/convention expenditures
- Advertisements
- Supplies/small tools
- Equipment greater than \$5,000 (with pre-approval from Purchasing Department)
- Purchases that result in an addition made to, or change made in, a capital asset, other than maintenance, to prolong its expected life or to increase its efficiency or capacity (with pre-approval from the Purchasing Department)
- District Standardized Technology (including any software or online software subscription) with an IT provided quote
- Services (only with approved contract/prior approval from Purchasing Department or on allowable p-card services list)
- Postage and shipping
- Repair parts/services (services require approved contract/prior approval from Purchasing Department)
- Grant expenditures with pre-approval from grant administrator

#### Amazon Business Account

If a department/location purchases goods/rentals through Amazon, the purchase must be made through the District's Amazon Business Account.

## 5.1 Acceptable Purchases, cont.

### Travel Expenses

The cardholder must adhere to the policies, regulations, procedures and guidelines of the District. For the purchase of business travel tickets in conjunction with personal travel, the following shall apply: The cardholder may purchase an airline ticket, including the portion of which is personal, then immediately reimburse the personal portion of travel to the District.

### Shipping and Billing Address

If packages are not able to be shipped to a school/department, the items must be shipped to the District Warehouse at 690 Cope Industrial Way, Palmer, AK 99645. Shipping items to a personal address is not permitted. The billing address for p-cards is 501 N. Gulkana Street, Palmer, AK 99645.

### Food Purchases for Staff

Snacks and coffee are allowable *de minimis* fringe benefits when they are occasional, infrequent in nature, and nominal in value. The District allows for the purchase of food to be provided to employees at trainings or meetings, but only if attendees will be present for four consecutive hours or greater, and it is being provided for convenience of the District and not the employees.

### Technology Purchases

To ensure that technology equipment meets District standards, a quote to request technology through the IT Service Request System is required prior to using a p-card to purchase District standardized technology (including software and subscriptions). In addition, some equipment purchases may be restricted to specific vendors and/or via a purchase order.

### Prepaid Expenses

Purchases that are made for travel, services, or subscription renewals which will not occur until an upcoming fiscal year should be coded to 100.000.000.0000.0.0.660 in the current fiscal year. The expense for these purchases will not be recognized until the fiscal year in which the service is provided, subscription is received, or travel is conducted.

### Student Activity Expenses

Student activity purchases paid for with a p-card must follow the same policies, regulations procedures, manuals, and guidelines as other purchases.

- Student Activity purchases should be coded to the appropriate student activity project code.
- Description of purchase should begin with "S/A".
- Scan backup documentation into ERP system.

## 5.1 Acceptable Purchases, cont.

### Services

P-card purchases of services (generally object codes 410, 411, 440, 441) are not allowable unless written approval (approved contract/email approval) is received from Purchasing Department and attached to TCM, or on allowable p-card services list.

### Purchases made with Federal Programs managed grant funds

Prior to making a grant related p-card purchase, a requisition must be entered in the ERP system to encumber funds. When encumbering funds for p-card purchases, only encumber the amount needed for the specific activity. The requisition should include the following information:

- Vendor: Federal Programs (Vendor #1502)
- General Description: FP (Location) Funding Source
- Description:
  - List of vendors where p-card will be used, and items to be purchased
  - If purchasing food, give examples of food to be purchased, such as crackers, juice, fruit, etc
  - List of Authorized purchasers.
  - Include following language:
    - "NOT TO EXCEED \$XXX.XX"
    - "NO SINGLE ITEM TO EXCEED \$500"
    - "NO SOFT DRINKS"

Prior to reconciling your p-card each month, email [MSDpurchasing@matsuk12.us](mailto:MSDpurchasing@matsuk12.us) to close the purchase order that is encumbering the funds that were spent on the p-card statement being reconciled.

Sales tax cannot be charged to any federal grant. If sales tax cannot be waived for a grant, the tax should be coded to: 100.xxx.xxx.0000.1.0.490 (use location and most appropriate function that corresponds to purchase).

## 5.2 Unallowable/Unauthorized Purchases

Any purchase which circumvents a p-card's spend profile is not allowed. This includes, but is not limited to:

- Splitting a purchase between multiple p-cards in order to circumvent monthly credit limits.

### **The following types of purchases are unallowable/unauthorized:**

- Procurement transactions in excess of a person's delegated authority
- District Standard Technology (including any software subscription) not coordinated through an IT Supervisor
- District Non-Standard Technology, including any software or online software subscriptions (except the following devices: keyboard, mouse, headphone, speakers, and USB web camera) not coordinated through an IT Supervisor
- Cash or cash equivalent transactions, such as gift cards or gift certificates
- Sales Tax (see Section 5.3)
- Gifts
- Any agreement, a commitment, or an order for goods or services, or changes to existing contracts, by any person who does not have procurement authority
- Maintenance contracts (unless preapproved by Purchasing)
- Personal purchases
- Donations
- Parking tickets
- Payments to individuals, employees, or students for any reason
- Payments for anything other than a good or service
- Fuel (may be allowed in emergency situations only)
- Alcohol
- Rental/lease agreement payments
- Any purchase not clearly demonstrating a direct relationship to student educational or business operational need
- Any purchase which is not ordinary (habitual, normal, usual, customary, common, accepted and expected) and necessary (convenient, useful, essential, appropriate, and helpful) in carrying out operations of the District
- Automatic renewals
- Payments to the Matanuska-Susitna Borough School District (SchoolPay)
- Purchases not listed under the Allowable Purchases section of this manual

### 5.3 Sales Tax

District purchases are **exempt** from sales taxes. Tax exemption identification (“TAX EXEMPT 31-6402079”) information is provided on the back of the card. It is the cardholder’s responsibility to ensure sales tax is not charged on the p-card. Merchants should be informed of tax-exempt status prior to or at the time of the transaction. A Tax Exemption Certificate may be required. Contact the Accounting department to request this form. Cardholders may also be required to show a District identification badge to confirm employment when making purchases.

If sales taxes are charged to the p-card, it is the cardholder’s responsibility to contact the merchant to obtain a sales tax credit. If the merchant will not honor the exemption, a written acknowledgement on the receipt from cardholder is required. Sales tax cannot be charged to any federal grant. If sales tax cannot be waived for a federal grant, the tax should be coded to: 100.xxx.xxx.0000.1.0.490 (use location and most appropriate function that corresponds to purchase).

### 5.4 Purchase Documentation

P-card purchases must be supported by **itemized** receipts which list the items purchased, the dollar amount of each item, and the total amount of each transaction. When applicable, supporting quotes must also be submitted when required by policy, administrative regulation, manuals or procedures.

If a receipt is misplaced, the cardholder is responsible for contacting the merchant to request a duplicate. In the event the cardholder cannot or will not provide an adequate receipt, the cardholder must complete a Missing Receipt Form documenting the pertinent transaction information. The approved form must be scanned into the ERP system, and filed with the monthly summary. Missing receipts should be a very infrequent occurrence.

### 5.5 International Transactions

International transactions include those that are made in a foreign currency or outside of the United States of America, even if the transaction is made in U.S. dollars. Mastercard will convert all transactions in a foreign currency into U.S. dollars by using its respective currency conversion procedures. The exchange rate used to convert currency is a rate that it selects either from the range of rates available in the wholesale currency market for the applicable processing date or the government-mandated rate in effect on the applicable processing date. The rate in effect on the applicable processing date may differ from the rate on the date the p-card is used.

### 5.6 P-card Shipping Address

Items must be shipped to a District address. If packages are not able to be shipped to a school location, the items must be shipped to the MSBSD District Warehouse at 690 Cope Industrial Way, Palmer, AK 99645. Shipping items to a personal address is not permitted. Always verify the shipping address when placing an order.

## 5.7 P-card Billing Address

P-card billing address: 501 N. Gulkana Street, Palmer, AK 99645.

The billing address should be used for card verification purposes only. Do not instruct vendors to send p-card receipts, or product shipments to this address.

## 6.0 MANAGING TRANSACTIONS

### 6.1 Reviewing Transactions

In order to ensure that the correct dollar amounts were charged to the p-cards, reconcilers must compare all transactions posted in the ERP system to the itemized receipts and orders that were obtained when the purchases were made. Reconcilers must also confirm that the goods purchased were received, and that services purchased with the p-card have written approval (approved contract/email approval) from Purchasing Department.

#### Disputes

In instances where a merchant error (delivery problems, amount discrepancies, or damaged goods) has occurred, the cardholder is responsible for attempting to settle the matter directly with the merchant. If the cardholder is not able to resolve the issue with the merchant, the cardholder should dispute the transaction by contacting the Bank of Montreal Corporate Services number listed on the back of the card and also notify the p-card administrator by email.

Important aspects about the dispute process:

- Cardholders have 30 days from posting date of the transaction to dispute it.
- Transactions must be allocated and signed off in the ERP system regardless of dispute status. Dispute information must be added to Dispute Comments in the ERP system.
- If a dispute is settled in the cardholder's favor, a credit will be issued. The credit should be allocated to the same account code that was used for the original charge.

#### Fraud

If a cardholder suspects that card information has compromised or fraudulent charges have been incurred, the cardholder must immediately notify the Bank of Montreal, and then follow up by informing the p-card administrator (see Section 12 for contact phone numbers). The p-card will either be cancelled or blocked from additional transactions until Bank of Montreal has researched the transaction.

The Bank of Montreal will work with the cardholder and/or p-card administrator to review transactions and complete an investigation of suspicious activity. Cardholders may be asked to complete an affidavit detailing any fraudulent transactions.

## 6.1 Reviewing Transactions, cont.

If fraud is found to have occurred, the p-card will be cancelled and a p-card with a new account number will be issued.

If the Bank of Montreal suspects a p-card has been compromised, the bank will contact the cardholder to verify the account activity. A temporary hold may be placed on the p-card until the bank is able to verify the transactions

Report fraudulent activity as soon as it is identified to help expedite the fraud investigation, limit unauthorized activity, and reduce the liability to the District. Please remember that cardholders do not need to have lost the actual credit card for the account number to have been compromised.

## 6.2 Reconciling Statements

Electronic statements are available after the 6th of each month. Reconciling a statement involves allocating all transactions to the most appropriate account code, adding meaningful descriptions, and releasing the statement into workflow via the ERP between the 6th and 10th of every month. Instructions for how to perform these activities are provided in TeamDynamix.

- Enter a description for each transaction into the ERP system, indicating a description of what was purchased and the business purpose of the purchase. If travel, include absence number, employee last name and/or group, and dates of travel in description.
- Invoice numbers should be entered into the “Invoice” field in ERP system.
- Attach supporting documentation in ERP system for all transactions.
- Complete reconciliation and forward it to the approver within five days of statement close.
- If disputing transaction, enter notes in “Dispute Comments” in ERP system and contact Accounting to reallocate to dispute account code.

### **The Importance of Timely Reconciliation**

P-card transactions are recorded in the District’s ledger only after they have been fully processed in the ERP system. Timely reconciliation is required in order to ensure the District has current expenditure information for each location/department.

Transactions are imported into the ERP system daily, within a few days of payments being made. Reconcilers then allocate the charges to the appropriate account codes, provide a purchase description, business purpose, and, when applicable, the benefit to the grant of the purchase. Reconcilers release the P-card Statements into workflow after the statement period ends on the 6th of each month. Approvers must review the receipts, allocations, and purchase explanations before approving the transactions in ERP system.

## 6.2 Reconciling Statements, cont.

**This reconciliation process must be complete within 10 days of p-card statement date in ERP system.**

Once statements are approved in workflow, Accounting Department will perform a final review. Transactions that have completed their final review are posted to ERP system.

### Billing Cycles

The p-card billing cycle is typically 30 days, and ends on the 5th day of the month. Cards begin their first cycle with the full credit line available. Every transaction made throughout the month decreases the available credit, until the new cycle begins.

## 7.0 RECORD RETENTION

The Reconciler must store a printed copy of each p-card statement, with all supporting backup documentation attached, for three (3) years.

In cases where the entire 16-digit account number is shown on any document, such as faxed orders, the individual making the purchase must mask the card number, except the last four digits, upon completion of the transaction.

All transaction documentation is subject to appropriate review by p-card administrators, District Administration, the District's external auditors, and other agencies in order to test for compliance with District policies and procedures; federal, state and local laws; and restrictions or other constraints imposed by agencies and donors.

## 8.0 SECURING THE CARD

### 8.1 Storage

P-cards are the property of the District, and are issued through and supported by the Bank of Montreal. It is the P-Cardholder's responsibility to safeguard the P-Card and P-Card account number at all times to minimize opportunities for unauthorized, fraudulent, or otherwise improper charges. P-cards and card numbers cannot be shared. They may only be issued to the authorized cardholder. When not in use, cards must be kept in a secure location and should only be used to process transactions by the respective cardholder.

In order to prevent exposure to fraud, the full purchasing card account number should not be recorded electronically or on paper, unless it is a part of a security system that has been approved by the IT Department. If the number must be recorded it should be truncated to the last six digits. If you are unsure of any request regarding your p-card, contact the Accounting Department with questions or concerns.



## 8.2 Lost or Stolen Cards

If a card is lost, misplaced, or stolen, the cardholder must notify the Bank of Montreal immediately, and also notify the p-card administrator (see section 12 for contact phone numbers).

Cards that are reported as lost or stolen will be cancelled and reissued with a new account number.

## 9.0 CARDHOLDER & SPEND PROFILE CHANGES

The P-Card Request Form in TeamDynamix should be used to request the following:

- Changes to monthly credit limits
- Change to name on card account (only when a legal name change occurs)
- Card replacement
- Card suspension and cancellation

Requests for monthly credit limits exceeding \$25,000 must be approved by an administrator of the employee's division. The p-card administrator has discretion for credit limit revisions.

Supervisors are responsible for notifying the p-card administrator when a cardholder transfers locations, ends employment with the District, or begins leave in excess of one month.

## 10.0 CARD SUSPENSION AND CANCELLATION

P-cards are the property of the District, and the p-card administrator is authorized to suspend or cancel cards for the following reasons:

- Cardholder on leave for one month or more
- Cardholder transfer to different department or position
- Cardholder's employment is terminated
- Violation of District p-card policy, procedures, manuals, or guidelines
- Request by cardholder's approving authority

Cancelled cards must be turned in to the location reconciler or p-card administrator for destruction.

## 11.0 VIOLATIONS

Examples of violations of policies, regulations, manuals, or procedures include but are not limited to:

- Any purchase made in violation of policies, regulations, and P-card Manual
- Incurring sales tax without documenting and acknowledging due diligence to avoid
- Failure to obtain required documentation (e.g., itemized receipts)
- Late reconciliation
- Improper record retention
- Improper account number storage
- Employee fraud, misuse, or unauthorized purchases
- Refusal/failure to surrender p-card

Violations will result in corrective actions, which will be dependent upon the severity of the violation, the number and severity of previous violations, the outcome/response to previously imposed corrective actions, and other factors deemed relevant to the violation.

- **First Level Violation** – Non-chronic and unintentional violations of policies, regulations, procedures, or defined business practices. Examples of first level violations include but are not limited to: first time deadline violations by cardholder, reconciler, or approver; failure to document/acknowledge due diligence to avoid taxes or unresolved sales tax violations; missing receipts. The P-card Administrator will communicate the violation and proper procedures with the offending party and approving authority.
- **Second Level Violation** – Wasteful expenditures, including (non-chronic) violations of policies, regulations, procedures, contracts, grant agreements, or defined business practices. Waste is the act of using or expending resources carelessly, extravagantly, or to no purpose. Waste relates primarily to mismanagement, inappropriate actions, and inadequate oversight. The following are examples of waste, depending on the facts and circumstances: travel choices that are contrary to existing travel policies or are unnecessarily extravagant or expensive; procurement or vendor selections that are contrary to existing policies or are unnecessarily extravagant or expensive; failure to perform required job responsibilities, including proper procurement card statement reviews.

At the direction of Director of Finance, the P-card Administrator will suspend the card until the party responsible for the purchase has repeated the p-card training and submitted a corrective action memo to the p-card administrator which addresses the actions that will be taken to resolve the violation and avoid similar violations in the future. The appropriate approving authority must also be copied on the memo and formally request the reinstatement of p-card privileges. Review and approval of all outstanding transactions is required before the p-card will be reinstated.

## 11.0 Violations, cont.

- Third Level Violation – Abuse/Fraud or chronic violations of policies, regulations, procedures, contracts, grant agreements, or defined business practices.

Abuse is behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary business practice given the facts and circumstances. Example: inappropriate purchases.

Fraud involves obtaining something of value through willful misrepresentation. Example: use of the procurement card for non-business purchases.

At the direction of Director of Finance, the P-card Administrator will cancel the card. Notification will be sent to the cardholder, reconciler, and appropriate approving authority. After a period of no less than three-months has passed, and if determined to be in the best interests of the District, approved by the Director of Finance, and after the individual has repeated the p-card training, a p-card may be reissued. A corrective action memo must be submitted with the P-card Request form which adequately addresses the actions to be taken to resolve the violation and avoid similar violations in the future.

## 12.0 CONTACT INFORMATION

### 12.1 P-card Administrators

- Rita McIntire, Accountant, 907.746.9223, [Rita.McIntire@matsuk12.us](mailto:Rita.McIntire@matsuk12.us)
- Alicia Campbell, Accounting Supervisor, 907.746.9225, [Alicia.Campbell@matsuk12.us](mailto:Alicia.Campbell@matsuk12.us)
- [Accounting@matsuk12.us](mailto:Accounting@matsuk12.us)

### 12.2 Bank of Montreal

- 1.800.844.6445
  - Call to report lost/stolen cards, fraudulent transactions, or to inquire about temporary holds (cardholder may be required to verify their identity)
- Spend Dynamics: <https://www.bmospenddynamics.com>
  - View transactions that have posted to the p-card account
  - View P-card Statements for p-card account

## ADDITIONAL RESOURCES

The following is a list of resources relating to the purchasing card program. These resources can be found in TeamDynamix Knowledgebase > Business Departments > Accounting > P-cards.

- **P-card Agreements**
  - **Cardholder Agreement** – Cardholders sign this form to acknowledge their understanding of and agreement to abide by District policy and procedures with regard to the p-card program. A copy of the signed agreement must be stored in the cardholder's department.

## Additional Resources, cont.

- **Reconciler Agreement** – Reconcilers sign this form to acknowledge their understanding of and agreement to abide by District policy and procedures with regard to the p-card program. A copy of the signed agreement must be stored in the cardholder’s department.
- **Approver Agreement** – Approvers sign this form to acknowledge their understanding of and agreement to abide by District policy and procedures with regard to the p-card program. A copy of the signed agreement must be stored in the cardholder’s department.
- **Sales Tax Exemption**
  - Tax Exemption Certificates for City of Palmer, City of Wasilla, Kenai Peninsula Borough.
  - Tax Exemption Letter for City of Anchorage hotels.
- **Missing Receipt Form** – Cardholders complete and have their p-card approver sign this form when an original itemized receipt or order form cannot be obtained from a merchant. This form must be retained in the cardholder’s department with other p-card receipts.
- **Instructional Guides**
  - **Spend Dynamics Instructions** – This guide describes how to use Works® to view, reconcile, and approve transactions.
  - **ERP System > Reconciling** – Reconciling p-card statements in ERP system.
  - **ERP System > Approving** – Approving p-card statements in ERP system.
  - **TeamDynamix Instructions** – Requesting a p-card or p-card maintenance.

## REVISION HISTORY

The latest version shall supersede all prior formal or informal policies and procedures.

Revision Date	Revision Number	Summary of Changes
May 2022	0	Original