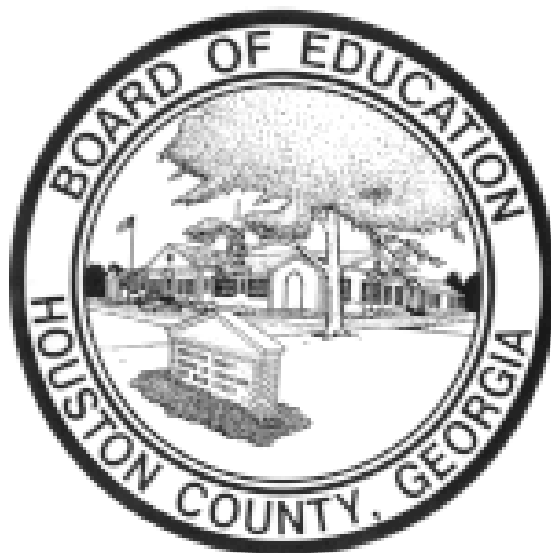


Adopted: 5/09/06

Houston County Board of Education

Purchasing Card

Procedure Manual



1. OVERVIEW

1.1. The purpose of the purchasing card program is to establish a more efficient, cost-effective method of purchasing and paying for small dollar transactions and to provide schools and departments with an additional means of purchasing goods and services needed at their location. This program compliments the existing purchasing process as outlined in Board Policy series DJE and offers the opportunity for online purchasing. The intent of the purchasing card program is to aid in timely purchase of products, reduce transaction costs, and allow for automated controls and accounting information. The purchasing card is not intended to bypass appropriate purchasing laws, policies, procedures and restrictions. If used to its potential, the program will result in a significant reduction in the volume of purchase orders. In addition, corresponding work processes associated with check writing will be eliminated.

1.2. This Purchasing Card Procedure Manual provides the general and specific guidelines for using the purchasing card. Please read it carefully. Your signature on the Cardholder Agreement shows that you understand the intent of the program and agree to follow the established policies, regulations and guidelines.

2. CARD ISSUANCE

2.1. Only employees of the Houston County Board of Education may be cardholders. To obtain a purchasing card for an employee, the Central Office Department head or School Principal shall complete the Request for Purchasing Card Form and send it to the Card Administrator. A copy of this form is included in this manual and is also available on the HCBOE website under the Purchasing section.

2.2. The Request for a Purchasing Card must be requested by the employee's Principal or Central Office Department Head and approved by the appropriate Assistant Superintendent.

2.3. The employee must attend a training session in card use and purchasing procedures before receiving their purchasing card.

2.4. The Purchasing Card Procedure Manual provides detailed guidance in using the card.

2.5. Each individual Cardholder must sign and accept the terms of the Cardholder Agreement in the presence of the Purchasing Card Administrator. This is an agreement between the cardholder and the Houston County Board of Education, which affirms that the cardholder has read and understands the policy and procedures for the Purchasing Card. A copy of the agreement is included in this manual and is posted on the website.

2.6. During training, you will be provided with a card activation number that will be needed when you activate your card.

3. CARDS

3.1. The purchasing card is a Visa credit card offered by Bank of America through the Georgia State Contract. It is a corporate charge card which will not affect the Cardholder's personal credit; however, it is the Cardholder's responsibility to ensure that the card is used within stated guidelines of the Purchasing Card Procedures Manual as well as Houston County Board of Education Purchasing Policies and Procedures. Each card is imprinted with an individual's name, and that individual will be held responsible for all charges made to their purchasing card. Each card user must remember that when they use the purchasing card they are committing Board funds. This is a responsibility that should not be taken lightly. Misuse of a purchasing card or failure to follow Board purchasing policy and procedure may result in administrative action up to and including termination of employment with the Board.

3.2. The card can be used with any **approved** vendor (an approved vendor is one that is listed in the Purchase Order vendor list) that accepts Visa as a form of payment. It may be used for in-store purchases, mail, telephone, internet, and fax orders.

3.3. The card may be used to purchase supplies and services at or less than the Single Transaction Limit established for your card.

3.4. The cardholder must not exceed the credit limit assigned to the purchasing card.

3.5. All Purchasing cards have monthly cardholder spending limits. Limits may vary for each cardholder and will be established by the Card Administrator in conjunction with the department manager. In order to change limits on any card, your department manager should coordinate with the Card Administrator.

3.6. Your purchasing card may have a single transaction limit. This is the amount available on the purchasing card for a single purchase. A transaction includes the purchase price and freight. Cardholders should not attempt to make a purchase greater than his/her approved amount. The Card Administrator must also handle changes to any transaction limit.

3.7. The purchasing card program may be restricted for use with certain types of suppliers and merchants. If you present your purchasing card for payment to these vendors, the authorization request will be declined.

3.8. If you feel a particular vendor should be added or deleted, contact the Program Administrator.

4. DUTIES AND RESPONSIBILITIES

4.1. Program Administrator. The purchasing card program is managed by the Purchasing Card Administrator, who is responsible for the over-all management of the purchasing card program. Responsibilities include:

4.1.1. All card set up, card maintenance, and card closure.

4.1.2. Management of the online reconciliation software.

4.1.3. Coordinating approval of purchasing card requests.

- 4.1.4. Direct liaison with Bank of America.
- 4.1.5. Reviewing department approved card applications for complete and correct information.
- 4.1.6. Submitting requests and receiving purchasing cards from Bank of America.
- 4.1.7. Training departmental cardholders.
- 4.1.8. Obtaining Cardholder signature on Cardholder Agreement, signifying agreement with the terms of the purchasing card program.
- 4.1.9. Resolving disputed charges/discrepancies not resolved by Cardholder.
- 4.1.10. Initiating change of default accounting codes upon request of their Department Head.
- 4.1.11. Securing revoked purchasing cards and submitting information to Bank of America.
- 4.1.12. Receiving and reviewing Bank of America monthly statements.
- 4.1.13. Distributing monthly reports to departmental cardholders and managers and notify them of cut-off date for approvals and default code changes.
- 4.1.14. Processing electronic upload of monthly bill to accounting.
- 4.1.15. Preparing bill for payment and submitting to Accounting for electronic payment.
- 4.1.16. Reconciling Bank of America's bill to Bank of America's electronic file and to the transaction totals posted to the Board's accounting system.
- 4.1.17. Reviewing usage of purchasing card data for appropriateness.
- 4.1.18. Ensuring that lost or stolen cards have been blocked by Bank of America.
- 4.1.19. Forwarding vendor set up requests to Bank of America.
- 4.1.20. Assisting the Cardholder with erroneous declines and emergency transactions.

4.2. Department Manager. The department manager, or equivalent, is responsible for designating cardholders and approving monthly purchasing card statements of cardholders to ensure they are within Board policy. The department manager will also assist in assigning cardholder spending limits. Principals, Directors and others can be both departmental managers and cardholders. The Manager must request a purchasing card be issued to a specific person. Additionally, the appropriate Assistant Superintendent must approve each request for a purchasing card. The Manager must immediately report suspected misuse or fraudulent use of any card (their own or other person's) to the Card Administrator

4.3. Cardholder. A person that has been issued a valid Houston County Board of Education purchasing card as requested by the department manager and approved by the appropriate Assistant Superintendent is a cardholder. The cardholder is responsible for complying with the policies of the Board in regards to purchases, selection of vendors, security of the card and monthly card reconciliation. This card should be treated with the same level of care, as the cardholder would use with his/her own personal charge cards, even though the liability associated with the use of this card lies with the Board. Guard the Purchasing card account number carefully. It should not be posted in a work area, or left in a conspicuous place. It should be kept in an accessible, but secure location. The Cardholder must:

- 4.3.1. Ensure the purchasing card is used for legitimate business purposes only.
- 4.3.2. Not make personal purchases with purchasing card
- 4.3.3. Maintain the purchasing card in a secure location at all times.
- 4.3.4. Not allow other individuals to use cardholder's purchasing card. The only person authorized to use the purchasing card is the cardholder whose name appears on the card.
- 4.3.5. Adhere to the purchase limits and restrictions of the purchasing card and ensure the total transaction amount of any single transaction does not exceed their card limits.

- 4.3.6. Reconcile all sales slips, register receipts, order confirmations, and/or purchasing card slips to Bank of America's Cardholder statement and provide same to Card Administrator for billing cycle **reconciliation within 7 days of receipt of statement**. The cardholder must reconcile the statement received from Bank of America to ensure all charges are those of the cardholder and are accurate.
- 4.3.7. Attempt to resolve disputes or billing errors directly with the vendor and notify Card Administrator if the dispute or billing error is not satisfactorily resolved.
- 4.3.8. Ensure that an appropriate credit for the reported disputed item or billing error appears on the same or a subsequent Cardholder statement.
- 4.3.9. Not accept cash in lieu of a credit to the Purchasing Card account.
- 4.3.10. Immediately report a lost or stolen card to Bank of America at 1-888-449-2273 (24 hours a day, 365 days a year). The cardholder must also report the lost or stolen card to the Card Administrator at the first opportunity during normal business hours.
- 4.3.11. Return the purchasing card to the Card Administrator when terminating employment with the Houston County Board of Education or transferring departments within the Board.
- 4.3.12. If a vendor does not accept Visa, notify the Card Administrator.
- 4.3.13. Report erroneous and emergency transaction needs to the Card Administrator during normal business hours.
- 4.3.14. Immediately report suspected misuse or fraudulent use of any card (cardholder's own or other cardholders) to the Card Administrator.

4.4. Accountant. Accountants audit and assist in managing the card program.

4.5. Proxy Reconciler. The Proxy Reconciler may be assigned to manage another card or group of cards for a workgroup or department. The Proxy Reconciler assigns account codes and functions as a proxy cardholder for accounting purposes. The Cardholder must still review his or her own statements and sign off indicating the purchases were within the guidelines for purchasing card purchases.

4.6. Vendor. The merchant from whom a Cardholder is making a purchase is the "vendor". Cardholders should promote and encourage positive interactions with suppliers. Honesty and courtesy are essential ingredients in all aspects of a buyer/supplier relationship. Cardholders will receive periodic emails from the Card Administrator identifying "preferred vendors" and other pertinent information for vendor selection and card use.

5. PURCHASING CARD CONTROLS

5.1. The cardholder shall not use the purchasing card to purchase those items defined as centrally procured items in Board policy (DJECA and others) and/or the following:

5.1.1. Personal purchases

5.1.2. Cash withdrawals

5.1.3. Gift cards

5.1.4. Sales tax (NO SELF CHECKOUT)

5.1.5. Any item available through the HCBOE Distribution Center/Warehouse

5.1.6. Vehicles – cars, trucks, buses, tractors, trailers

5.1.7. Large industrial equipment

- 5.1.8. Temporary employee costs**
- 5.1.9. Copy/duplicating machines**
- 5.1.10. Telephone systems**
- 5.1.11. Furniture**
- 5.1.12. Office equipment.**
- 5.1.13. Computers and computer peripheral hardware**
- 5.1.14. Printers of all types**
- 5.1.15. Computer software**
- 5.1.16. Alcoholic beverages**
- 5.1.17. Fuel for other than Board owned, rented, or leased vehicles**

6. EMERGENCY TRANSACTIONS

6.1. Emergency transactions over the card transaction limit or monthly limit may not be handled with the purchasing card. For any transaction that does not meet the spending controls assigned to the card, the Cardholder must contact the Department manager and Card Administrator.

7. CARD CLOSURE. The Purchasing Card Administrator is required to close an account if a Cardholder:

- 7.1.** Transfers to a different department,
- 7.2.** Moves to a new job in which a purchasing card is not required;
- 7.3.** Terminates employment or
- 7.4.** For any of the following reasons which will also subject Cardholder to disciplinary action in accordance with Board Policies and Procedures relating to disciplinary action and termination for cause:
 - 7.4.1.** The purchasing card is used for personal or unauthorized purposes.
 - 7.4.2.** The purchasing card is used to purchase alcoholic beverages or any substance, material, or service which violates policy, law or regulation pertaining to the School District.
 - 7.4.3.** The Cardholder allows the card to be used by another individual.
 - 7.4.4.** The Cardholder splits a purchase to circumvent the limitations of the purchasing card.
 - 7.4.5.** The Cardholder uses another Cardholder's card to circumvent the purchase limit assigned to either Cardholder or the limitations of the purchasing card.
 - 7.4.6.** The Cardholder fails to provide Card Administrator with required receipts.
 - 7.4.7.** The Cardholder fails to provide, when requested, information about any specific purchase.
 - 7.4.8.** The Cardholder does not adhere to the Purchasing and Purchasing Card policies and Procedures.

8. REGISTERING WITH WORKS. You will get a welcoming email from WORKS instructing you how to set up your online processing for card purchases. Follow the instructions in the email. WORKS provides the payment manager software that is used to manage the purchasing card program.

9. ACTIVATING THE PURCHASING CARD. The cardholder must call the number on the purchasing card to activate the purchasing card before using it. You will need the activation number given to you during training. Upon receipt of the card, the cardholder should sign the back of the purchasing card and always keep the card in a secure place.

10. USING THE PURCHASING CARD

10.1 Obtaining Approval

10.1.1. Obtain approval for the purchase from the department head or principal. Your Principal or Department Head may establish department or school level approval requirements or may establish automatic approvals.

10.2. Making the Purchase

10.2.1. Verify that the purchase is an acceptable use of the card.

10.2.2. Verify that the purchase amount is within your single and monthly purchase limits. Never split a transaction to fit it within your spending limits.

10.2.3. Verify that the item is not available through the HCBOE Distribution Center

10.2.4. Verify that the item is not on the restricted list shown above

10.2.5. Verify that the vendor is on the HCBOE approved vendor list

10.2.6. If cost is above \$1000, obtain and document quotations as directed in Board policy DJED.

10.2.7. Make the purchase (phone, internet, fax, in-store) using your unique credit card number.

10.2.8. Confirm pricing, freight charge and tax exemption. If necessary, sales tax exemption certificates are available from the Purchasing Department.

10.2.9. Maintain an orderly and easily retrievable file containing all supporting documentation for each transaction (confirmation number, order confirmation, sales receipt, packing slip, etc.). Purchasing card supporting documentation must be retained for a period of five years and will be needed for the monthly reconciliation.

10.2.10. Follow-up with the vendor to resolve quality, discrepancy, delivery or damage problems. Under no circumstances should a cardholder accept cash in lieu of credit to the purchasing card.

10.3. Receiving Supplies and Services

10.3.1. The cardholder is responsible for ensuring that all ordered materials charged to the card are received.

10.4. Returns, Credits and Disputed Charges

10.4.1. Should a problem arise with a purchased item, service or charges, every attempt should be made to first resolve the issue directly with the supplier. Review of future statements is vital to ensure the account is properly credited for returns, credits and disputed charges. The returned, credited or disputed item should be noted on the monthly statement reconciliation.

- 10.4.1.1. Returns.** If a cardholder needs to return an item to a supplier, contact the supplier and obtain instructions for return. Note that some suppliers may charge a restocking or handling fee for returns. All returns shall be indicated on the monthly reconciliation.
- 10.4.1.2. Credits.** If the supplier accepts an item as a return, a credit for this item should appear on the same or following month's statement. All credits should be indicated in the monthly reconciliation.
- 10.4.1.3. Disputed Charges.** If a cardholder finds a discrepancy on a monthly statement, the cardholder should contact the supplier and attempt to resolve the problem directly. All disputed items shall be indicated in the monthly reconciliation. Notify the Card Administrator or unresolved disputed items.

11. PROCESSING PURCHASING CARD TRANSACTIONS

- 11.1. Cardholder:** After each use of the purchasing card, the cardholder will receive an email from WORKS Payment Manager software notifying the cardholder of the need to process the transaction. Using the software provided, the cardholder must verify that the transaction is correct, assign accounting codes to the transaction and sign-off on the transaction. Cardholders should process their transactions within 1 day of notification. A Works Quicksheet guide for the cardholder is attached.
- 11.2. Manager:** After a cardholder signs-off on a transaction, the employee's supervisor will receive an email from WORKS Payment Manager software notifying the manager of the need to approve the transaction. Using the software the manager must verify that the transaction is valid, confirm that correct accounting codes have been assigned and sign-off on the transaction. Managers should process their transactions within 1 day of notification. A Works Quicksheet guide for the manager is attached.

12. CARDHOLDER MONTHLY RECONCILIATION

- 12.1.** At the end of each billing cycle, every cardholder will receive a Cardholder Memo Statement, which lists purchases made to that account. Upon receipt of this statement, the cardholder must reconcile the statement to ensure each item billed was received, each item returned has been properly credited, and that the charges that are billed match the charges at the time of the sale. Enter the Credit card transaction number on the supporting documentation. Attach all sales receipts, order confirmations, packing lists, etc to the statement. Note any additional information pertinent to the purchase. Once the statement is balanced and reconciled, forward the package to their department manager/Principal for approval. A Memo Statement Report, available from the Works Software may help you reconcile your statement. You will be shown how to generate the report.
- 12.2.** After reviewing the statements sent by each cardholder, the department manager shall sign indicating his/her approval of the purchases and forward the documentation to the Card Administrator. The Card Administrator will review documentation and verify that the Cardholder Memo Statement is consistent with the Statement Memo Summary Detail received from Bank of America.



Cardholder
QuickSheet



Logging In

- 1> Open your Internet Browser.
- 2> Enter the following in your address bar:
 Payment: works.com
- 3> Login to the system with:

E-mail:
Password:

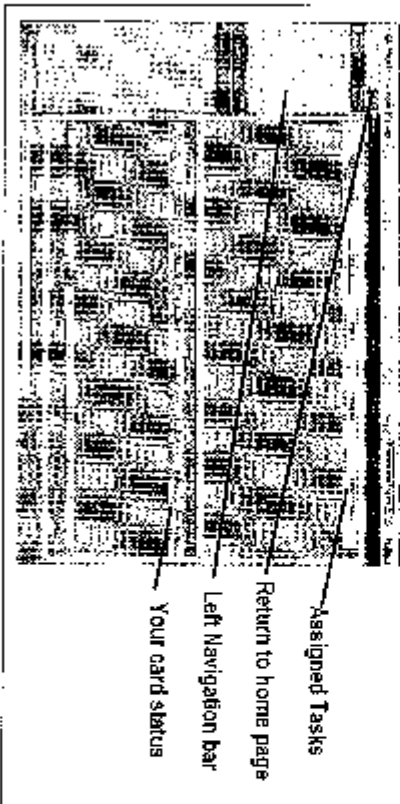
Note: You can reset your password by clicking on "Forgot your password?"

- 4> Click

Submitting Transactions

- To start, either click the "Sign Off" task link on your home page, or click "Transactions Requiring Sign Off" in the Left Navigation Bar.
- 1> Click a transaction in the upper section to view its details in the lower section.
 - 2> On the General tab, enter any changes and click . Click to make notations.
 - 3> Click the Allocation tab, review the GL accounting codes (defaulted codes may appear). To edit the

Your Home Page



allocation, check the box or the line you wish to change and click . Add lines, if needed, and choose to allocate by percentage or amount. Click on to change the codes from a list. After any changes, click .

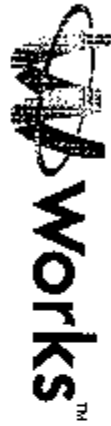
- 4> Click the Purchase Detail tab to review any line-item detail submitted by the merchant.
- 5> To submit the transaction to your Manager for review, click .

Disputing Transactions

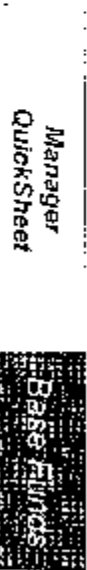
The following steps are only to notify your Manager and Administrator that a transaction is under dispute.

To start an official dispute, contact your issuing bank and submit dispute forms.

- 1> Click a transaction in the upper section to view its details in the lower section. (You cannot mark a dispute on a transaction that you have already signed off.)
- 2> Click .
- 3> Enter the disputed dollar amount and the reason for the dispute and click .



Payment Manager 3.0



Reviewing Transactions

To start, either click the "Sign Off" task link on your home page, or choose "Transactions Requiring Sign Off" in the Manager section of the Left Navigation bar.

1> Transactions awaiting approval display in the upper section.

2> The sign off status will show:

- CH = Cardholder has signed off
- M = Manager has signed off
- A = Accountant has signed off

If parent/teacher are present, the transaction was automatically signed off.

3> Click a transaction in the upper section to view its details in the lower section.

4> On the General tab, enter any changes and click "Save". Click "Submit" to make notations.

5> On the Allocation tab, check the time you wish to change and click "Save". Add lines, if needed, and choose to allocate by percentage or amount. Click on "OK" to save.

to change the codes from a list.

After any changes click "Save".

6> Click the Purchase Detail tab to review any line-item detail submitted by the merchant.

7> To send a transaction back to a cardholder for additional changes, click "Resubmit" on the General Tab and enter comments.

8> To approve the transaction, click "Sign Off".

Additional Resources

If you have additional questions, please contact your Program Administrator.

CARDHOLDER _____ EMAIL ADDRESS _____

SCHOOL/DEPT. _____ PHONE NUMBER _____

**HOUSTON COUNTY BOARD OF EDUCATION
PURCHASING CARD PROGRAM
CARDHOLDER AGREEMENT**

I, _____, do hereby acknowledge receipt of purchasing card number _____ and agree to assume responsibility for compliance with the following terms and conditions regarding the use of the purchasing card.

1. I understand that I have been given authority to make purchases on behalf of the Houston County Board of Education and will strive to obtain the best value for the school system.
2. I understand that I am required to safeguard the purchasing card and account number at all times and will be held responsible for all charges made against the card. If the card is lost or stolen, I agree to immediately notify Bank of America and the purchasing card administrator.
3. I agree to use the purchasing card only with approved vendors and to not use the card to purchase items or like items that are in the HCBOE Distribution Center or on the restricted item list or as defined in Board policies, regulations, or other directives. I agree to spend only within my approved spending limits.
4. I agree to be responsible for each purchase made with this card to include proper receipt, vendor follow-up and timely reconciliation of each transaction.
5. I understand that the Houston County Board of Education will audit the use of this card to detect any misuse of this card. I further understand that improper use of the card may result in administrative action such as, but not limited to, the loss of purchasing card privileges, salary deduction, suspension and/or termination of employment.
6. I agree to return the purchasing card to the Houston County Board of Education immediately upon termination of employment or transfer to a different position.
7. I have read and understand the instructions for use of the purchasing card and agree to comply with all instructions as set forth by Policies, Directives, Regulations, and Instructions as issued by the Purchasing Department.

Signature of Cardholder

Title

Date

HOUSTON COUNTY BOARD OF EDUCATION REQUEST FOR PROCUREMENT CARD

I request that the following employee be issued a procurement card and be trained in the use of the card:

FIRST NAME: _____ LAST NAME: _____

POSITION/TITLE: _____ PHONE NUMBER: _____

LOCATION ADDRESS: _____

LOCATION CODE: _____ EMAIL ADDRESS: _____

MONTHLY DOLLAR LIMIT: _____ PER PURCHASE LIMIT: _____

Requested By:

PRINCIPAL/DIRECTOR NAME: _____

SCHOOL/DEPARTMENT: _____ PHONE: _____

SIGNATURE: _____ DATE: _____

SEND REQUEST TO PURCHASING DEPARTMENT ATTN: P-CARD ADMINISTRATOR
Each card issue must be approved by the Superintendent or Appropriate Assistant Superintendent.

SUPERINTENDENT/ASSISTANT SUPERINTENDENT AUTHORIZATION

Procurement card issued is _____ APPROVED _____ DENIED _____

The dollar limits are approved as above unless indicated below

MONTHLY DOLLAR LIMIT: _____ PER PURCHASE LIMIT: _____

NAME: _____ TITLE: _____

SIGNATURE: _____ DATE: _____

