

SHAKOPEE PUBLIC SCHOOLS
MASTERCARD
PURCHASE CARD PROGRAM
PROCEDURES MANUAL

Procedures Manual

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Program Card Administrator

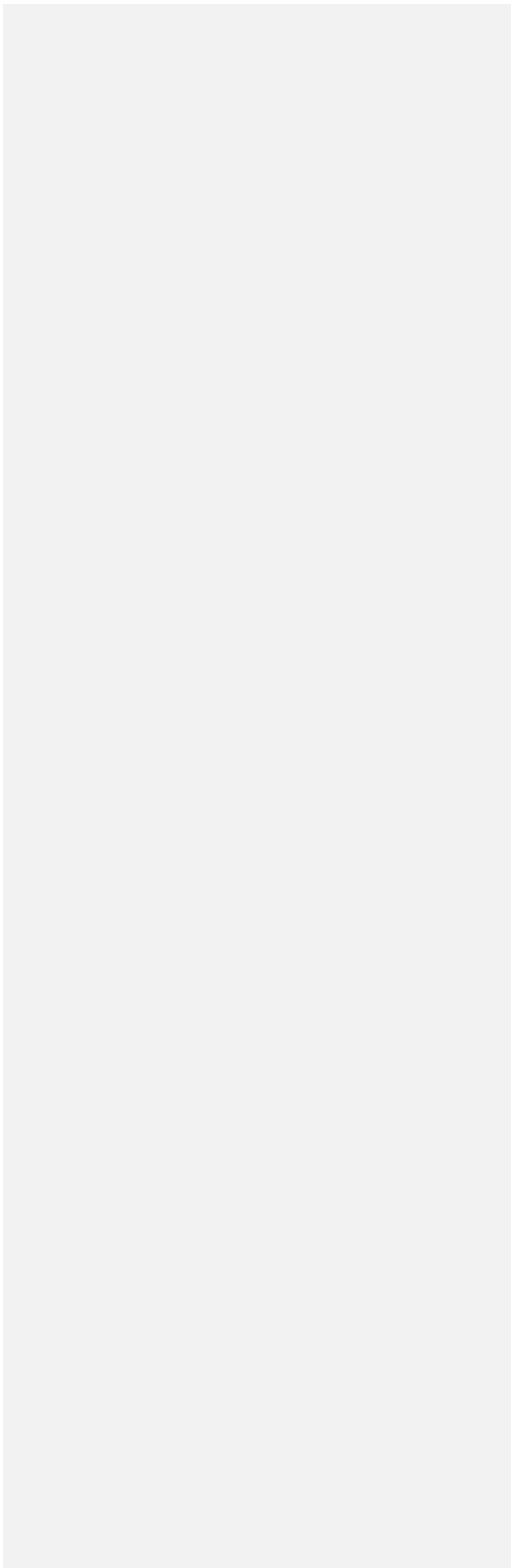
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Introduction

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Welcome to the Shakopee Public School MasterCard Purchase Program provided by PFM Financial Services LLC (“PFM”) through BMO Bank, IL. The Purchase Card is a simplified and cost-effective method of purchasing and remitting payment for approved expenditures. The Purchase Card can be used for retail purchases; i.e. in person, ~~or~~ **byonline, by** mail, telephone or fax.

The Purchase Card (P-Card) is embraced by public and private organizations as a means to create an easy to use process perfectly suited for small dollar purchases. In the continuing effort to improve service to our District staff, this is one more opportunity to achieve that goal.

The Purchase Card is to be used in accordance with the guidelines established within this manual. You are asked to treat this program with the same sense of responsibility and security you would use with your personal credit cards.

All Purchase Cards are issued at the request of the Director of Finance **and Operations** and card usage will be audited and may be rescinded at any time. **You are the only person authorized to use your card!**

This manual provides the guidelines under which you may utilize your Purchase Card. Please read it carefully. Your signature on the Cardholder Authorization Form indicates that you have read and understand the intent of the program and agree to adhere to the guidelines established for this program. The Program Card Administrator will receive your Purchase Card approximately 2-3 weeks after submitting your application to PFM. PFM will deliver the purchase card to the Program Administrator. The Program Administrator will send the purchase card to you through interschool mail. You may then call the Harris Bank activation number, 1-800-263-2263, to activate your purchase card. Please contact the Program Card Administrator, if you have any questions.

Record keeping will be essential to ensure the success of this program. This is not an extraordinary requirement since standard reimbursement policies require the retention of all **itemized** receipts.

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Finally, remember you are spending School District/public funds each time you use the Purchase Card.

Shakopee Public School MasterCard Purchase Card:

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Please read this manual in its entirety before signing the last two pages and forwarding them to the Program Administrator. The manual will provide you with a variety of information:

- ✓ What type of purchases can and cannot be made on the Purchase Card
- ✓ What type of merchants will accept the Purchase Card
- ✓ Record maintenance and monthly statement reconciliation
- ✓ Other miscellaneous information

When you receive your Purchase Card, sign the back of the card and call Harris Bank to activate the card. - Always keep the card in a safe place! -Then, sign the Acknowledgement Form and the Terms of Revocation Form and return them to the Program Administrator. Although the card is issued in your name, it is the property of Shakopee Public School and is only to be used for School District purchases as defined in this manual. -Purchase cards are renewed automatically and new cards are issued by Harris Bank every 36 to 48 months. Your new card will be delivered to the Program Administrator, who will forward it to you through interschool mail.

GENERAL INFO:

- The Purchase Card is not to be used for personal purchases. Personal use of the Purchase card is considered a serious violation to the program. Purchases must never be shipped to your home address. All purchases must be shipped to a Shakopee School District site.
- Intentional use not in accordance with the guidelines established for the Purchase Card will result in punishment up to card revocation and/or employee termination.
- Shakopee Public Schools prohibits the use of rewards programs for purchase as there is a potential for using rewards points for personal purchases. The District's policy is that we must not participate in such programs because there is not a way to monitor such rewards in a way that is cost effective. The purchase of Amazon Prime membership falls under rewards programs and is not an allowable expense because the membership is not limited to District business only and can be used for personal purchases.
- Pyramiding charges is prohibited (use of multiple transactions to circumvent per transaction limits).

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RECONCILIATION AND APPROVAL:

- Your department budget will be reduced by each transaction and will be reflected on your monthly expense reports.
- It is required that you retain all original receipts for goods purchased. All receipts for Purchase Card purchases must be detailed and itemized. Receipts should must show all each individual items purchased; not just a total amount. The same would apply for restaurant receipts. Payment-alone signature receipts will not be considered by the Program Administrator as proof of the purchase if it is not accompanied by the vendor's itemized receipts.
- Each receipt must show the vendor name, date of the transaction, individual items purchased, and the total dollar amount. Each individual receipt must be coded.
- Cardholder must print the New Transaction List for the statement cycle (28th – 27th) and attach all detailed receipts to a Supervisor for approval and a signature. The reviewer must be independent of the cardholder.
- Lack of monitoring statements and submitting the required documentation to Accounts Payable by the 10th of the subsequent month will result in your Purchase Card balance being placed at \$0 until the statement period is completed, and the documentation is submitted to Accounts Payable and fully reconciled.

SECURITY:

- You are responsible for the security of your card and any transactions made against the card. The Purchase Card is issued in your name and it will be assumed that any purchases made against the Purchase Card will have been made by you.
- The Purchase Card must remain on district premises in a safe locked unit unless being used. Cards must not be carried in a purse or billfold unless the user is going to be making an imminent purchase or is in travel status. At no time may a photocopy of a Purchase Card be made to provide to others.
- Use precaution when selecting what devices are utilized to place online orders with your Purchase Card. With increased use of portable devices such as iPads, laptops, and smart phones are at a higher risk of exposing confidential account information. In the event that a portable device is being used to make online Purchase Card purchases and that device is lost or stolen, immediately contact the Program Administrator and Technology for the appropriate course of action to protect your account. To prevent these situations, it is highly encouraged to only make online purchases from a secure district computer and not from any portable device.
- When doing business online, utilize only sites that are secure. Be aware of scams. Discard any email communication solicitations from banks or other entities “phishing” for card information. The District’s card provider will never make contact to you via email asking for personal card information.

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General Information:

- The Purchase Card may be used at any merchant that accepts MasterCard credit cards.
- The Purchase Card is not to be used for personal purchases. Personal use of the Purchase card is considered a serious violation to the program. Purchases should never be shipped to your home address. All purchases need to be shipped to a Shakopee School District site.
- You are responsible for the security of your card and any transactions made against the card. The Purchase Card is issued in your name and it will be assumed that any purchases made against the Purchase Card will have been made by you.
- The Purchase card should remain on district premises in a safe locked unit unless being used. Cards should not be carried in a purse or billfold unless the user is going to be making an imminent purchase or is in travel status. At no time should a photocopy of a Purchase Card be made to provide to others.
- Intentional use not in accordance with the guidelines established of the Purchase Card will result in punishment up to card revocation and/or employee termination. Use of the Purchase Card not in accordance with the guidelines established for this program will result in revocation of the card and termination of your employment.
- You will not be charged an annual fee for your card.
- Harris Bank will pay merchants within 48 hours of the merchants' posting of your transaction to MasterCard.
- Your department budget will be reduced by each transaction and will be reflected on your monthly expense reports.
- Use precaution when selecting what devices are utilized to place online orders with your Purchase Card. With increased use of portable devices such as iPads, laptops, and smart phones are at a higher risk of exposing confidential account information. In the event that a portable device is being used to make online Purchase Card purchases and that device is lost or stolen, immediately contact the Program Administrator and Technology for the appropriate course of action to protect your account. To prevent these situations, it is highly encouraged to only make online purchases from a secure district computer and not from any portable device.
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Shakopee Public Schools prohibits the use of rewards programs for purchase because there is a potential for using rewards points for personal purchases. The District's policy is that we should not participate in such programs because there is not a way to monitor such rewards in a way that is cost effective. The purchase of Amazon Prime membership falls under rewards programs and is not an allowable expense because the membership is not limited to District business only and can be used for personal purchases.

- Pyramiding charges is prohibited (use of multiple transactions to circumvent per transaction limits).
- Cardholder must print the **new transaction list** for the statement cycle (28th - 27th). Cardholder must submit original receipts with account codes for each purchase and a copy of the new transaction list to a Supervisor for approval. The reviewer must be independent of the cardholder. Monthly card member Activity Report will be printed by the Finance department and forwarded to you by the 10th of each month.

Original receipts and a copy of the Monthly Card member Activity Report Approved report with receipts must be forwarded should be forwarded to the Accounts Payable Project Administrator by the 10th of the subsequent month within five days of receipt of Activity Report.

- If the Purchase Card reconciliation report is not received by the 10th of the subsequent month, your Purchase Card balance will be placed at \$0 until the statement is complete, turned in to Accounts Payable, and fully reconciled.

Acceptable MasterCard Purchase Card Purchases

- Purchases of a small dollar amount
- Recurring expenses, i.e. leases, insurance
- Food Services Food (per procedure)
- Utilities
- Fuel for District vehicles
- Approved supplies for your program
- Student incentives
 - Conference and seminar registrations
 - Travel and conference expenses
 - Books
 - Craft supplies
 - Instructional games and toys

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- Hardware items
- Fed Ex/UPS charges
- Student field trip entry fees
- Organizational/Professional dues and subscriptions (except those listed below)
- Memberships (professional organizations only)
- Other miscellaneous items that apply to your program and budget.

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Unacceptable MasterCard Purchase Card Purchases

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- Alcoholic Beverages/tobacco
- Lottery Tickets
- Cash Advances or ATM transactions
- Gift Certificates/Gift Cards
- Flowers or gifts (for recognition, death, or celebratory purpose)
- Personal Meals (per procedure) — should go through reimbursements)
- Goods and services requiring an agreement to be signed or subject to MN State Statutes surrounding bidding laws
- Capital equipment over \$10,000
- Construction and renovation
- Computers, - computer software and hardware (must be made go through Technology)
- Wireless devices
- Donations to charitable organizations
- Employee relocation expenses
- Payments to individuals or employees
- Any purchases prohibited by District policy or not related to District business

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This list is not intended to be all-inclusive. If you have specific questions, please call your Purchase Card Administrator for assistance.

Program Restrictions

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Each MasterCard Purchase Card has been assigned a monthly credit limit determined by the Director of Finance and Operations. Harris Bank will only take direction from your authorized Program aAdministrator. All requests and limit changes must be approved by your Program AAdministrator or Harris Bank will not make those changes.

The MasterCard will be accepted for purchases of generally approved Shakopee Public Schools commodities. Businesses and services determined not to offer products commonly accepted for District use have been blocked from accepting the Purchase Card. Limiting the acceptable Merchant Category Codes does this. The Merchant Category Code is a four-digit classification code used in the authorization and settlement systems to identify the type of merchant.

Levels of credit authorization are in place to clearly define the individual purchasing limit controls.

If your card is declined by a merchant and you feel the decline should not have occurred, contact the Program Administrator or Corporate Client Services at 1-800-263-2263 within 24 hours.

Request for transaction, daily and monthly limit changes are to be made by the cardholder to the Program Administrator.

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Reconciliation and Payment

The MasterCard Purchase Card program carries corporate, not individual, liability. A single invoice covering all the Shakopee Public School Purchase Card transactions will be paid each month by Accounts Payable. You will not be required to pay your monthly statement using personal funds. The Purchase Card does not impact your personal credit rating in any way.

It is required that you retain all original receipts for goods purchased. All receipts for Purchase Card purchases must be detailed and itemized. Receipts should show all items purchased not just a total amount. The same would apply for restaurant receipts. Payment alone signature receipts will not be considered by the Program Administrator as proof of the purchase if it is not accompanied by the vendor's itemized receipts.

If you purchase via phone or mail, require the merchant to include a receipt with the goods when the product is shipped to you. If that is not possible, you must obtain a packing slip when the shipment is received to document the purchase. To document online purchases, the cardholder should print a screenshot that indicates the purchase was paid with a P-card. The screenshot should also show the date of the transaction, items purchased, and the total dollar amount. Just like other purchases, online purchases must be documented with detailed/itemized receipts. require the merchant to include a receipt with the goods when the product is shipped to you. If that is not possible, you must obtain a packing slip when the shipment is received to document the purchase.

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Every cardholder will need to review their statement (at a minimum once per month) for all transactions made against the MasterCard Purchase Card during the previous billing cycle. You will receive monthly Activity Reports within ten days of the close of the month from the Finance department. Original receipts and a copy of your Harris Bank Statement (printed by the Finance department) should must be forwarded to the Program Card Administrator by the 10th of each month, within five days of receipt of the statement.

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The cardholder may keep a transaction log of all receipts and statements. The log serves to remind cardholders of transactions and assists in reconciliation of the monthly statements. A periodic audit will be conducted of card activity, retention of receipts, reconciled detail and signed monthly statements.

Misuse of the MasterCard Purchase Card includes:

- Using the Purchase Card for personal purchases
- Purchase of unauthorized items
- Use of the Purchase Card by someone other than the cardholder
- Fraudulent record-keeping
- Lack of monitoring statements and submitting the required documentation

In the case of misuse, the Program Administrator shall document the occurrence on the Cardholder Misuse Report and forward it to the Director of Finance and Operations immediately. Any case of card misuse may result in termination of employment for the cardholder.

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When Your Records Do Not Agree with Your Monthly Statement

There may be an occasion when you find items on your transaction log that do not correspond with your retained receipts on monthly cardholder statement. Reconciliation of your monthly statement is very important to determine if you made a particular transaction, the amount of the transaction is correct, or if you have a quality of service issue.

Your first recourse is to contact the merchant involved to try to resolve the error. If the merchant agrees that an error has been made, your account will be credited. Highlight the transaction in question on your statement as a reminder that the item is still pending resolution. Be sure to check that the credit is received on your next monthly statement.

If you are unable to resolve the issue directly with the merchant, contact the customer service department at Harris Bank, 1-800-263-2263. When calling, be sure to have detailed information regarding the dispute. State that you would like to dispute a charge on your Purchase Card. You are required by law to submit the information in writing to initiate a claims dispute with Harris Bank. The amount of the next monthly statement will be reduced by the amount of the disputed item until the question is resolved. (See Cardholder Dispute Form at the back of the manual.)

~~Any charges you wish to dispute must be identified in writing within 30 days of the statement date to Harris Bank.~~

You are responsible for the transactions identified on your statement. When an audit is conducted on your account, you must be able to produce receipts that a District approved transaction occurred. If an error is discovered, you are responsible to show that the error or dispute resolution process has been followed.

Any charges you wish to dispute must be identified in writing within 30 days of the statement date to Harris Bank.

Lost or Stolen Cards

The MasterCard Purchase Card is the property of the Shakopee Public Schools and ~~must~~ should be secured just as you would secure your personal credit cards. If your card is lost or stolen contact Harris Bank customer service number (1-800-263-2263) immediately, then notify the Purchase Card Administrator. When calling customer service, be prepared to provide your social security number.

Upon notifying Harris Bank, the card will be deactivated immediately. If the card is reported lost or stolen and is later used, the Merchant will decline it. Prompt action in these circumstances is very important to reduce the School District's liability for fraudulent charges.

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Sales Tax

Merchants are usually required by taxing authorities to include sales tax when goods are purchased. The District is exempt from paying Minnesota sales tax on its purchases. Purchases of items by public or non-profit private schools for their own use are generally exempt from sales tax. The exemption applies to the public or non-profit schools, not to the individual. Sales tax is only allowed on: airfare, car rental, hotel stay, gas, and food eaten in at a restaurant.

It is the cardholder's responsibility to ensure the merchant does not charge Minnesota sales tax on the purchase. The cardholder ~~must~~ ~~should~~ notify the merchant that the Shakopee Public School ISD #720 is tax exempt ~~before they ring up the purchase.~~ The tax exempt number is ~~listed~~ listed on the front of the Purchase Card. Our Minnesota state tax exempt number is #8014338, and a copy of the Shakopee Public Schools tax exempt form can be obtained from ~~the Program Administrator~~ Accounts Payable. ~~Cardholders must should be prepared to present this certificate to any Minnesota merchant as a necessary verification of our tax exempt status. If the cardholder notices after the fact that sales tax was charged, it is their responsibility to call the vendor and have this corrected.~~ **You will need to make a copy of the form, insert the vendor name, and then date the form prior to issuance (i.e. faxing or mailing). Do not e-mail this form; e-mail is not secure. If tax is not removed from the purchase, the cardholder will be responsible for paying the sales tax.** This amount must be reimbursed to the School District and submitted to Accounts payable with the ~~New -T~~ Transaction List on the 10th of the subsequent month.

~~Do not distribute this form to any other employee in the organization. If they need one, they must contact the Finance department.~~

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In Summary

The Shakopee Public School District Purchase Card Program is an opportunity to reduce paperwork, expedite the purchasing process at the department level and reduce the District's administrative expenses. Shakopee School District gets cash back when you use your p-card.

Exercise good judgment and act within your authorized budget when using your card. The Purchase Card is issued in your name and all activity will be assumed to have been incurred by you. We ask you to maintain simple but accurate records and receipts for auditing purposes.

The purchase card is a program in progress. Utilized as another option to make low dollar value purchases, the program will continue to evolve and transform as it best fits the District's needs.

If you have any questions about the program or need additional information, please contact the Program Card Administrator at 952-496-5017.

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ACKNOWLEDGEMENT OF RECEIPT OF THE MASTERCARD PURCHASE CARD

I acknowledge that, on the date indicated below, I received my Purchase Card. I have received a copy of the procedure manual explaining the use and responsibilities of the Purchase Card. I understand that:

- ❖ The Purchase Card is a cost-effective method for the purchase and payment of small dollar material transactions and is limited to \$_____ per month.
- ❖ The Purchase Card is to be used solely for business purchases; not personal purchases.
- ❖ I am responsible for reconciling monthly statements, ~~and~~ maintaining accurate accounting records, ~~and submitting the necessary -documentation to the Program Administrator~~ Accounts Payable by the 10th of each month.
- ❖ Should my employment with Shakopee Public Schools terminate, I am responsible for returning the Purchase Card to the Program Administrator.

Employee Signature: _____

Employee Name: _____
(Please Print)

Employee #: _____ Date: _____

Please return this form to the Program Administrator.

TERMS OF REVOCATION FORM

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As an authorized user of the MasterCard Purchase Card, I understand that I am the only person authorized to make purchases with the Purchase Card issued to me and that such purchases must be in connection with my employment with, for the benefit of, and authorized by the Shakopee Public Schools.

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I understand that the following items constitute misuse of the MasterCard Purchase Card. Any misuse may result in the revocation of my privileges to be a MasterCard Purchase Cardholder and immediate termination of employment.

Misuse of the MasterCard Purchase Card includes the following:

- **Using the MasterCard Purchase Card for personal purchases**
- **Purchase of unauthorized acceptable items**
- **Use of the Purchase Card by someone other than the cardholder**
- **Fraudulent record keeping**
- **Failure to submit the required documentation within defined timelines**

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If the MasterCard Purchase Card is used for personal purchases, for unauthorized items or by someone other than myself, I hereby agree to personally pay the Shakopee Public Schools for such purchases and hereby authorize the District, if necessary, to withhold from my paycheck any amount necessary to pay these charges.

Name of Cardholder _____ **Date** _____
(Please Print)

Cardholder's Signature _____

Note: The Shakopee Public Schools retains the right to take further legal action in the event of gross misuse or fraud involving District funds.

Please return this form to the Program Administrator.

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