

SHAKOPEE PUBLIC SCHOOLS

MASTERCARD

PURCHASE CARD PROGRAM

PROCEDURES MANUAL

AND APPLICATION

Program Card Administrator

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INTRODUCTION

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, online, 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All Purchase Cards are issued at the request of the Program Administrator and card usage will be audited and may be rescinded at any time.

This manual provides the guidelines under which you may utilize your Purchase Card. Please read it carefully. Your signature on the Cardholder Application 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 the Finance Department. PFM will deliver the purchase card to the Program Administrator. The Program Administrator will contact you to arrange pick up or delivery of your card. 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 and legality of this program. This is not an extraordinary requirement since standard reimbursement policies require the retention of all **itemized** receipts.

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

SHAKOPEE PUBLIC SCHOOL MASTERCARD PURCHASE CARD:

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! 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 contact you for pick up or delivery of your card.

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 or misuse 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. 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, Sam's or Costco memberships must be pre-approved by the Finance Department and Operations and must be used for district business only.
- Pyramiding charges is prohibited (use of multiple transactions to circumvent per transaction limits).

RECONCILIATION:

- 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 must show each individual item 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, and coded receipts. A Supervisor must approve and sign each receipt.
- 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 being suspended until the statement period is completed, and the documentation is submitted to Accounts Payable and fully reconciled. The Finance Department will review suspended cards monthly.

APPROVAL:

- P Card Statements must be approved by a person who has been authorized to approve or deny reimbursement of expenses. Normally, the authorized approver is one level senior to the requestor, but it may be another person(s) in the department or unit who is not one level senior, but has delegated authority to approve or deny expenses. Under no circumstance should the delegation of approval authority create a situation where an employee is approving the P Card activity of his or her supervisor. Departments have the discretion to require their employees to obtain pre-approval. The Superintendent's P card activity will be approved by the Finance Committee and the Finance Department.
- Approvers are responsible for validating that all charges: comply with district policy; are a prudent use of public funds; are appropriately documented; and are submitted and accounted for in a timely manner

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 you 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.

ACCEPTABLE MASTERCARD PURCHASE CARD PURCHASES

Please note that all travel, conferences, seminars, and food expenses must follow board policy 412 expense reimbursement.

Purchases must follow state contracting regulations (Statute 471.345).

- Recurring expenses, i.e. leases, insurance
- Utilities
- Fuel for district vehicles
- Approved supplies for your program
- Books
- Craft supplies
- Instructional games and toys
- Hardware items
- Fed Ex/UPS charges
- Student field trip entry fees
- Professional dues and subscriptions
- Memberships (professional organizations only)
- Other miscellaneous items that apply to your program and budget

UNACCEPTABLE MASTERCARD PURCHASE CARD PURCHASES

- 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
- Computers, computer software, hardware, wireless devices and accessories
- Donations to charitable organizations
- Employee relocation expenses
- Payments to individuals or employees
- Any purchases prohibited by District policy or not related to District business

This list is not intended to be all-inclusive. If you have specific questions, please call the School District's Purchase Card Administrator at 952-496-5011 for assistance.

REPAYMENT OF UNSUBSTANTIATED / UNALLOWABLE EXPENSES

In cases where the district pays for expenses (either through P Card purchases or otherwise) that are deemed unallowable according to this expense policy, the funds will be recovered immediately by one of the following methods:

1. The individual pays the district via personal check or money order. **Cash payments are not allowed.**
2. In cases where the employee does not submit payment as required above, the employee and the district will establish a payment plan under which the district will deduct the amount owed from the employee's paycheck.
3. For amounts deemed uncollectable (i.e., the individual is no longer a district employee), the district may seek legal remedies against the individual.

PROGRAM RESTRICTIONS

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 Administrator. All requests and limit changes must be approved by your Program Administrator or Harris Bank will not make those changes. The School Board will review and approve the credit limits annually.

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 and 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.

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.

You are responsible for the transactions identified on your statement. 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 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.

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. Sales tax is only allowed on: airfare, car rental, hotel stay, gas, and food eaten in a restaurant.

It is the cardholder's responsibility to ensure the merchant does not charge Minnesota sales tax on the purchase. The cardholder must 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 on the front of the Purchase Card and a copy of the Shakopee Public Schools tax exempt form can be obtained from Accounts Payable. Cardholders must 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. **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 immediately.

CARDHOLDER APPLICATION FORM

MasterCard Purchase Card applicants need to acquire authorization from their Department Supervisor to apply for the Purchase Card.

APPLICANT INFORMATION: (Please print clearly)

School Location _____ Employee # _____

Applicant's Name _____

Applicant's Signature _____

Applicant E-Mail address _____

Applicant Phone Number _____

SUPERVISOR AUTHORIZATION:

As the Department Supervisor, I hereby grant the above mentioned applicant authorization to apply for, and use, the Shakopee Public School MasterCard Purchase Card for the budget code listed below. I also agree; I am responsible for validating that all charges: comply with district policy; are a prudent use of public funds; are appropriately documented; and are submitted and accounted for in a timely manner. If the applicant's employment with the District is terminated, I agree to notify the Program Card Administrator immediately.

Supervisor Signature _____

Default Budget Code _____

ADMINISTRATOR AUTHORIZATION: (District Office use only)

Transaction Limit: _____ Daily Limit: _____

Monthly Limit: _____

Approver Name: _____

TERMS OF REVOCATION FORM

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.

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 unacceptable items**
- **Use of the Purchase Card by someone other than the cardholder**
- **Fraudulent record keeping**
- **Failure to submit the required documentation within defined timelines**

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 _____

<p>Note: The Shakopee Public Schools retains the right to take further legal action in the event of gross misuse or fraud involving District funds.</p>
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Please return this form to the Program Administrator.