
SCHOOL DISTRICT NO. 36 (SURREY)

No. 4660.1

REGULATION: PROCUREMENT CARDS

This regulation directs the use of school district Procurement Cards or Ghost Card Program.

1. DEFINITIONS

1.1 Procurement Card (PCard)

The PCard account is a separate entity established by Board authorization for use by individuals at schools, district offices or departments in making small or emergency purchases. All procurements are the property of the school district. The PCard, although not a credit card, functions in much the same way as a credit card. However, personal charges are strictly prohibited.

1.2 Ghost Card

A Ghost card is a banking industry term for a PCard account number assigned to a specific vendor for high volume purchases with larger spending limits. No actual card exists. It operates in a similar manner to that of a Blanket Purchase Order, and will be governed under Regulation 4600.1.

1.3 Procurement Card Program Administrator

The PCard Program Administration will be managed by the Purchasing Department. These responsibilities include, but are not limited to:

- All administrative interaction between the school district and the PCard financial institution
- Maintaining a cardholder database
- Authorizing the issue of new cards
- Arranging for the cancellation of cards
- Arranging replacement, lost or stolen cards
- Maintaining total and merchant category codes
- Establishing and maintaining district-wide communication
- Developing and distributing program literature and materials
- Assisting in normal card usage procedures
- Assisting in problem resolution

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- Notification of non-compliance to cardholder, and initiating appropriate action if necessary
- Developing and providing cardholder training.

In collaboration and with defined operational support parameters, the Purchasing and Fiscal Management Services Departments will provide assistance to the PCard Program Administrator.

1.4 Account Coordinator

The Account Coordinator (Principal or other management person) is assigned responsibility for budgets directly related to the activities he/she manages. This person is responsible for the authority and use of the PCard, and ensuring proper reconciliation of each card issued under their authorization. By authorizing an employee for use of the PCard, the Account Coordinator has granted this employee authority for purchases to be made and charged to the Account Coordinator's respective budgets.

1.5 Procurement Cardholder

The PCardholder is the individual, who has responsibility for the PCard and overall management of its use, including:

- Authorizing disbursements
- Accounting and reconciliation of the procurement account purchases and credits
- Maintaining card security to prevent unauthorized charges against the accounts
- Ensuring purchases are in accordance with district policies, regulations and best accounting practices
- Notifying the PCard financial institution and the PCard Program Administrator of lost or stolen cards
- Notifying the card administrator of disputed charges within fifteen days of the statement date
- Adhering to all conditions and restrictions on card usage
- Verifying and reconciling all account activity, prices, authorizations for payment, etc.
- Notifying the card administrator of any changes in assignment (school, department) or in personal information (name,

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workplace address) or any changes that require an adjustment to default general ledger account number.

2. AUTHORIZATION OF PROCUREMENT CARD

2.1 Use Approval

The Secretary-Treasurer authorizes Purchasing Department to issue a PCard to any employee at a school, district office or department, where appropriate and within the Board's approval for use.

2.2 PCard Credit Limits

Each PCard is restricted on the number of transactions and dollar amount of purchases per transaction and per month. The default credit limit per card will be \$1,500/transaction and \$10,000/ per month.

Purchasing Department will perform periodic review of various cardholder groups to determine any necessary change to credit limits. Cardholders may request an increase/decrease of the credit limit through their Principal or manager, to Purchasing Department stating their reasons for the request. Requests will be reviewed for their appropriateness before approval.

2.3 Total Category and Merchant Category Codes

Total category (TCC) and merchant category codes (MCC) identify grouping of standard industry codes which describe the type of business and commodities of merchants. Certain TCC and MCC codes have been blocked from prohibited items and to reduce the risk of potential fraud. Examples of codes blocked are cash advances and liquor purchases. A PCardholder may request a change to the TCC or MCC in writing to Purchasing Department stating reasons for the request.

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3. ESTABLISHMENT OF THE PROCUREMENT CARD

3.1 PCard Training Session

Anyone interested in obtaining a PCard, must attend a training session. This session is designed to provide the applicant with the understanding of the use of the PCard and clarify the role and responsibility of the cardholder.

3.2 Application for the Procurement Card

Only employees of School District No. 36 (Surrey) can make application for the PCard. Each PCard application must be in the name of the person who will actually use the card. PCard requests will be filled out on a prescribed Employee Card Account Request form (available from Purchasing Department). This application will include:

- Name of employee
- Mailing address for the statement
- Default general ledger account code
- Signature of employee
- Authorization by the Account Coordinator (Principal or manager)

All applications will be forwarded to Purchasing Department for review and consideration for a PCard. Incomplete forms will be returned to applicant. Any denied application will be returned with stated reason.

3.3 Establishment of PCard with Financial Institution

Purchasing Department will establish with the PCard financial institution the PCard account in the name of the applicant (cardholder), the established credit limit, and default general ledger account code. The name embossed on the card is the only person entitled to use the PCard.

3.4 PCard Issuance

The PCard financial institution will forward the PCard to the office of the PCard Program Administrator, within Purchasing Department.

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Before the PCard is provided, each cardholder is required to sign an Employee Acknowledgement of Responsibilities & Obligations For Use of the School District No. 36 (Surrey) Procurement Card form.

4. PROCUREMENT CARDHOLDER RESPONSIBILITY

4.1 PCard Use and Management

The PCardholder accepts full responsibility for the use of the card once activated. The PCard is strictly for School District No. 36 (Surrey) business.

The PCard can be used to make any purchases within the acceptable limits of the TCC and MCC codes. However, this is not foolproof. PCards are prohibited from being used for:

- Travel-related expenses, such as hotel rooms, airfare, gas, restaurant meals while traveling, etc. unless prior approval received through the process identified in Policy #4410.
- Prohibited purchases such as liquor and explicit material
- Wages and salaries, as these must be paid directly by the Payroll Department to facilitate compliance with legislative and contractual requirements
- Cash advances
- Purchases in excess of \$1,500, including taxes and delivery
- Orders which have been split into two or more transactions to remain under the \$1,500 limit
- Personal purchases, even if the cardholder intends to reimburse the district for the expense

The PCardholder must adhere to all the conditions and restrictions imposed on the card usage.

4.2 PCard Security

PCards must be safeguarded and the number must not be given out except to authorized suppliers, i.e. a supplier with whom an order is being placed. Keep the PCard and the PCard number confidential. The only person authorized to use the PCard is the person to whom it is issued. Lending or sharing the PCard is not allowed.

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4.3 Lost or Stolen PCards

The PCardholder must report lost or stolen cards immediately, first to the PC financial institution (Bank of Montreal @ 1-800-361-3361) and then to the PCard Program Administrator (Purchasing Department). Once reported to the financial institution, the account will be blocked instantly, minimizing the potential risk exposure. Verbal reports of lost or stolen PCards must be followed up in writing to the PCard Program Administrator by way of an Incident Report.

4.4 PCardholder Transfers to Another District Site

In the event a PCardholder transfers from one school to another or between departments, the PCard need not be surrendered, but the default general ledger code must be changed.

It is the responsibility of the PCardholder to immediately advise the PCard Program Administrator of any changes in assignment or personal information such as name or workplace address. Before leaving for their new assignment, the PCardholder should ensure that all purchases made up to the point in change of their assignment are reconciled.

4.5 PCardholder Termination of Employment

The PCardholder must inform the PCard Program Administrator of their termination of employment and surrender the card to the PCard Program Administrator.

4.6 Fraudulent Card Use

If the financial institution, PCardholder or PCard Program Administrator suspects that the card has been used fraudulently, the card will be cancelled. The financial institution can suspend cards instantly upon notification by the cardholder or card program administrator. The financial institution may also inform merchants or suppliers that the card has been cancelled. If a cardholder is asked by a merchant to surrender a revoked card, he or she must do so. Intentional misuse or abuse of the PCard will result in immediate revocation of privileges, and may be cause for disciplinary action.

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4.7 Procurement Card Cancellation

A PCard can be revoked for the following reasons:

- Employment termination of cardholder. Cancellation should be notified prior to termination.
- Change in PCard financial institution/program
- Suspected misuse or fraudulent use of PCard
- Non-compliance with district policies and regulations
- Change in cardholder's employment assignment, where duties do not necessitate the need for PCard
- Lost or stolen cards
- Account Coordinator's request to terminate card(s). Such requests would be in writing to PCard Program Administrator.
- Secretary-Treasurer's request to terminate card(s)

4.8 PCard Statement Reconciliation

The PCardholder must obtain receipts for each transaction to reconcile the purchases made on their PCard account. Please review Regulation #4420.1, section 3.1, for definition of acceptable documentation.

Should the PCardholder have a concern with a transaction, the PCardholder should seek resolution directly with the merchant. If the problem cannot be resolved, the PCardholder must notify the PCard Program Administrator by filing a statement of Questioned Item form within 20 days of purchase.

The PCard Program Administrator will follow up the dispute with the financial institution and advise the PCardholder of the outcome.

5. PROCUREMENT CARD ACCOUNTING PROCEDURES

5.1 Receipt Collection and Submission

The PCardholder must ensure that the receipts are submitted to the Fiscal Management Services Department for inspection, 20 days after receipt of PCard statement. Receipts must comply in

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accordance to the existing policies and regulations (Regulations #4202.1, 4202.2 and 4202.3). The Fiscal Management Services Department test checks a sample of claims on a risk assessed basis. Failure to submit will result in cancellation of PCard.

5.2 PCard Payments

The PC financial institution will forward a master statement to the Fiscal Management Services Department for payment on a monthly basis. Fiscal Management Services will proceed to make payment to the PC financial institution in accordance to the agreement with the financial institution.

5.3 PCard Journalization of Charges

At time of receipt of the PCard master bill, Fiscal Management Services will proceed to journalize the charges to the default general ledger codes associated with each PCard number.

5.4 PCard Charge Transfer to Different General Ledger Code

Should the PCardholder wish to change a general ledger account code for a particular charge, such requests will be in writing to the Fiscal Management Services Department with the applicable budget officer approval.

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 Reg. #4202.3
 Policy #4410
 Reg. #4420.1
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