

# FCPS Procurement Card

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## INTRODUCTION

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- Over 10 years of School Finance Experience



## Procurement Card Policy

- We have to follow our model procurement policy; Procurement card doe NOT replace purchase orders.
- **Purpose**
  - 1 Avoid undue burden of costs on travel
  - 2 After school programs needing items immediately
  - 3 Emergency purchases where the timetable requires a quick purchase instead of purchase order processing.
  - 4 Vendors not accepting Purchase Orders or bids
- **One must use a purchase order as first means of procurement. If a situation falls under #3, you will be required to send a memo letter to the director of Finance stating rationale for using the procurement card vs. P.O. This allows for adequate recordkeeping is questions arise.**
- Enables increased efficiency of purchases and payment
  - Small dollar acquisitions
  - Travel related purchases for professional development activities

## General:

- The use of the procurement card allows purchase activity on ly as authorized by FCPS purchasing/procurement card policy
  - Enables increased efficiency of purchases and payment
    - Small dollar acquisitions
    - Travel related purchases for professional development activities
  - Each school/department shall appoint a procurement card site coordinator (bookkeeper) who shall be responsible for editing p-card transactions from SmartData Online (SDOL) for migration in the FCPS general ledger.
  - Proper documentation required for each purchase
    - PCR1 Form (P-card Requisition Form)
      - Listing bona fide business purpose of purchase
    - Original invoice, receipt, order form or application
- \*\*For internal control/separation of duties, the site coordinator shall NOT have a p-card.\*\***

## Issuance:

- P-cards are issued based on justifiable need versus a matter of convenience
- P-cards may be requested from the director of finance when authorized
- P-card agreement must be completed and signed by the cardholder
  - Completed and signed agreements are submitted to the Financial Services P-card Administrator for processing
  - NOTE: the budget owner must also sign the PCR-1 approving the employees authorization to charge the proposed budget
  - Agreement and guide are available in the FCPS Financial Services webpage or from the p-card Administrator

## Usage:

- P-cards are issued to an individual cardholder (regular employee, NOT a temporary position)
- Card shall be used to make purchases for official FCPS business
- Employee(s) shall be responsible for reimbursing any unapproved charges (redbook pg12)

## Eligibility:

- **Employee MUST:**
  - Be in a regular full-time position
  - Be a principal or director
  - Be in a position in such that the responsibilities must include making small dollar purchases as designated
  - P-card can only be obtained by request through the Director of Finance

## Card Control:

- The program has the ability to place specific controls on each card such as:
  - Spending limit per transaction
  - Spending limit per cycle
  - Transactions allowed per day
  - Transactions allowed per cycle
  - MCC (Merchant Category Code)
  - Default Budget String
- Monthly and transaction limits may be assigned based on necessity and review of actual usage.
- Transaction limits are determined on a case-by-case basis; higher limits may be considered pending review and justification on case-by-case basis
- Request for limit changes are to be directed to the Director of Finance

## Card Levels:

- Allowable purchases per P-card level & owner
  - Level 1(Schools) -Food and clothing for students
  - Level 2 (PD & Education Directors) – Food/clothing for students, travel & supplies
  - Level 3 -Unrestricted for district wide business expenditures
- When conference registration and airline tickets are charged to the p-card in lieu of an employee being reimbursed (level 2 & 3) Incidental charges including, but not limited to movies, room service, or laundry are NOT approved.
- It is the responsibility of the cardholder to audit, review and ensure
  - The propriety and bona fide business purpose for lodging expenses
  - Time period of accommodations
  - Exclusion of charges for non-employee traveling companions
  - Reporting of prepaid expenses processed for payment using a p-card
- It is the responsibility of the program administrator to audit all p-card transactions

## Purchase authority & Conditions:

- FCPS P-card may NOT be used to make any type of personal purchases
  - Failure to comply may result to disciplinary action (See section 1.0.7 in guide) Employees shall be responsible for reimbursing any unapproved charges (redbook pg 12)
- P-cards are not used for:
  - Capital equipment purchases
  - Purchases charged to capital project accounts
  - Items costing more than \$1000.00 identified as “high risk” and entered in the Fixed Asset Inventory Module unless authorized by the Director of Finance
- \*\*As defined in the FCPS policy and procedures, such purchases or acquisitions are to be purchased using a purchase order\*\*
- Cardholders are authorized to pay in advance registration fees and airline tickets
  - Payments that extend beyond the current fiscal year into future periods are treated as pre-paid expenses
  - The cost of unused airline tickets purchased in advance will be paid back by the employee to the district to recoup the cost of the airline ticket

## Purchase authority & Conditions:

- Schools may use school activity funds to make purchases by coding the transaction in the SDOL system under the respective org/obj codes and project code "CHECK" a check shall be generated and sent to Financial services room 107 within 10 business days of the purchase. One will use a standard invoice and the receipt form for the vendor to be in compliance with Redbook. The original receipt and copy of the standard invoice will be sent with monthly paperwork.
- Cardholder is responsible for ensuring the availability of funds budgeted
- Record retention policy requires that all cardholder statements be maintained for a period of three years.
  - All information shall be maintained in a secure location, have supporting documentation attached, and be filed in a manner suitable for auditing purposes.
  - Examples of acceptable supporting documentation include
    - Valid sales receipt or invoice
    - Original packing slip
    - Original cash register receipt
    - Original copy of order form or application

\*\*If the above are not available, an affidavit for lost receipt form must be completed and attached to your PCR-1 form with the business purpose stated clearly.

## Purchase authority & Conditions:

- If the p-card is used for refreshments, meals or accommodations, an agenda must be attached to your PCR-1 form with the business purpose stated clearly.
- A copy of this guide may be found under the FCPS Financial Services website: Procurement Card Policy Guide

## Purchase Restrictions:

- Each cardholder has a specific card level
- Purchases from certain types of businesses as well as certain types of commodities are not allowed using a p-card

LEVEL 1	LEVEL 2	LEVEL 3
<ul style="list-style-type: none"> <li>○ Food for Students</li> <li>○ Clothing for students</li> </ul>	<ul style="list-style-type: none"> <li>○ Food for Students</li> <li>○ Clothing for students</li> <li>○ Travel</li> <li>○ supplies</li> </ul>	<ul style="list-style-type: none"> <li>○ Unrestricted for all district wide business expenditures</li> </ul>

## Purchase Restrictions:

- Additional restrictions:
  - Internal use within FCPS
  - Fixed Assets
  - Non-compliance with bids

## Tax Exemption:

- FCPS sales tax exemption number, B-236 is listed on all cards
- It is noted that if the tax exempt number isnt given to the merchant when making a transaction, FCPS has NO dispute rights.
- The is means the purchaser must:
  - Inform the merchant that FCPS is tax exempt
  - Provide merchant with the FCPS tax exemption number
- If a vendor requests a certificate, one can be obtained from the accounts payable department

## CONDITIONAL USE:

- Building & Maintenance
- Fuel
  - Bulk fuel may be purchased with level 2 & 3 cards for delivery to storage tanks owned by FCPS
  - Requires PCR-1
  - Fuel purchases for FCPS vehicles are on an exception or emergency basis

## CARDHOLDER RESPONSIBILITY:

- Printing their cardholder statement of account
- Reviewing and verifying accuracy of the transactions
- Reviewing transactions to verify sales tax has not been charged
- Attaching supporting documentation to statement of account
  - Original sales receipt or invoice, original cash register receipt, original order form, original registration form, etc
  - in the event that an original is lost, a copy should be obtained, with a statement that the "original" was lost and the cardholder's signature
  - In the event an original is lost and a copy cannot be obtained, the cardholder must complete the affidavit for lost receipt form and attach it to the statement of account
  - Purchases must be supported with a bona fide business purpose on the PCR-1
- Signing their statement of account acknowledging validity
- Remitting the above to the p-card administrator by the established deadline

### CARDHOLDER RESPONSIBILITY:

- o P-cards are NOT to be used to make personal purchase
- o Advance payment of goods or services is not allowed unless specifically authorized by the director of finance. However, registration fees & airline tickets are allowed .
- o There are several types of conditional procurement card transactions
  - o Building maintenance or repairs
  - o Gasoline/fuel charges

### RECONCILING ACCOUNT:

- o On a monthly basis, identify and verify the accuracy of transactions charged during the reporting cycle
- o Submit signed statement of account & PCR-1 with supporting documentation to program administrator
- o Each cycle, the cardholder shall:
  - o print the statement of account, review, verify and sign
  - o Attach supporting documentation and PCR-1 for each transaction
  - o Remit to p-card administrator

### AUDIT ACTIVITY:

- o Card activity is subject to random audits by the p-card administrator and FCPS auditors

### PAYING THE BILL

- o Corporate pay arrangement
  - o Paid in full each month by EFT
- \*\*PAYMENTS ARE NOT SENT TO ACCOUNTS PAYABLE WITH A CHECK REQUEST\*\***

### RESOLVING ERRORS AND DISPUTES:

- o In the case of discrepancy, the cardholder is responsible for contacting the vendor for resolution

**NOTE 1:** disputes must be filed with the bank within 60 days of the date of purchase

**NOTE 2:** if the dispute is related to tax being charged and the transaction receipt was signed , we have NO DISPUTE RIGHTS

### LOST OR STOLEN CARD:

- Contact the bank immediately
- Contact p-card administrator after talking with bank

### TERMINATION OF PROCUREMENT CARD:

- FCPS may terminate the cardholder's right to use the p-card at any time for any reason
- Cardholder must then cease use and return the card to the p-card administrator upon request of termination.

### COMPLIANCE:

- The use of a FCPS p-card allows purchase activity only as authorized by FCPS
- Each cardholder must comply with the procedure and fulfill their requirements as defined in the p-card guide and supplemental procedures issued by the Financial Services department
- The program administrator is charged with ensuring compliance and sound management practice

## VIOLATION ACTIONS:

- Failure to comply with FCPS p-card policy and related guidelines, agreements, etc will result in the following:
    - **1<sup>st</sup> incident** – written notification (email or letter) of non-compliance. Cardholders should provide written acknowledgment that they understand how their actions violated policy and include assurance of compliance in the future
    - **2<sup>nd</sup> incident** – written notification (email or letter) of non-compliance with potential card use suspended for 30 days. Depending on the severity of the violation and if it is a repeated violation.
      - Cardholders receiving 2<sup>nd</sup> incident violations shall (within 30 days of the violation)
        - Receive additional training
        - Provide written (email is acceptable) acknowledgement that they understand how their actions violated policy and include assurance of compliance in the future
    - **3<sup>rd</sup> incident** – card use suspended for 30 days with possibility of cancellations of cardholder privileges, depending on severity of violation and if a repeat violation.
- \*\*NOTE: depending on seriousness of the violation(s), disciplinary action may also include immediate account termination, documentation of unsatisfactory job performance in the employee's personnel file, and/or termination of employment\*\***

## VIOLATION PERIOD:

- The Financial Services Director will maintain a record of non-compliance per cardholder within a fiscal year.
- Each cardholder will start a fiscal year with no carryover of non-compliance unless the incidence occurred in the last quarter of the previous fiscal year and the seriousness of the violation was deemed of such significance, the incident warrants carryover to the next fiscal year.

## VIOLATIONS:

- Making personal charges
- Charging capital assets
- Receipts having sales tax charged
- Charging incidentals along with hotel accommodations without prior approval
- Charging a car rental without prior approval and documented written justification
- Failure to submit statement of account to p-card administrator by the established due date
- Failure to include necessary supporting documentation, i.e. receipts, PCR-1, or other FCPS business forms as required
- Failure to have authorized approval signatures, such as the supervisor and/or budget manager

### VIOLATION APPEAL:

- Affected cardholder may by written appeal reapply for a p-card at the start of a new fiscal year subject to approval and at the discretion of the Director of Finance.

### TERMINATION OF CARD:

- FCPS may terminate the cardholder's right to use the p-card at any time for any reason

### CARDHOLDER'S RESPONSIBILITY:

- Carefully review each transaction to ensure compliance and propriety of business expense
- Cardholders failing to provide appropriate review and/or compliance shall receive additional training
- Instances of repeated failure of appropriate review and/or compliance shall be subject to disciplinary action.

### SMARTDATA ONLINE (SDOL):

SDOL is the program that is run by MasterCard to ensure proper documentation and coding abilities for each procurement card

Each cardholder receives a monthly statement, logs into SDOL to give each transaction a description and code it accordingly

Cardholders select the cardholder reviewed box to lock the transaction and allows the administrator to know they are finished editing.

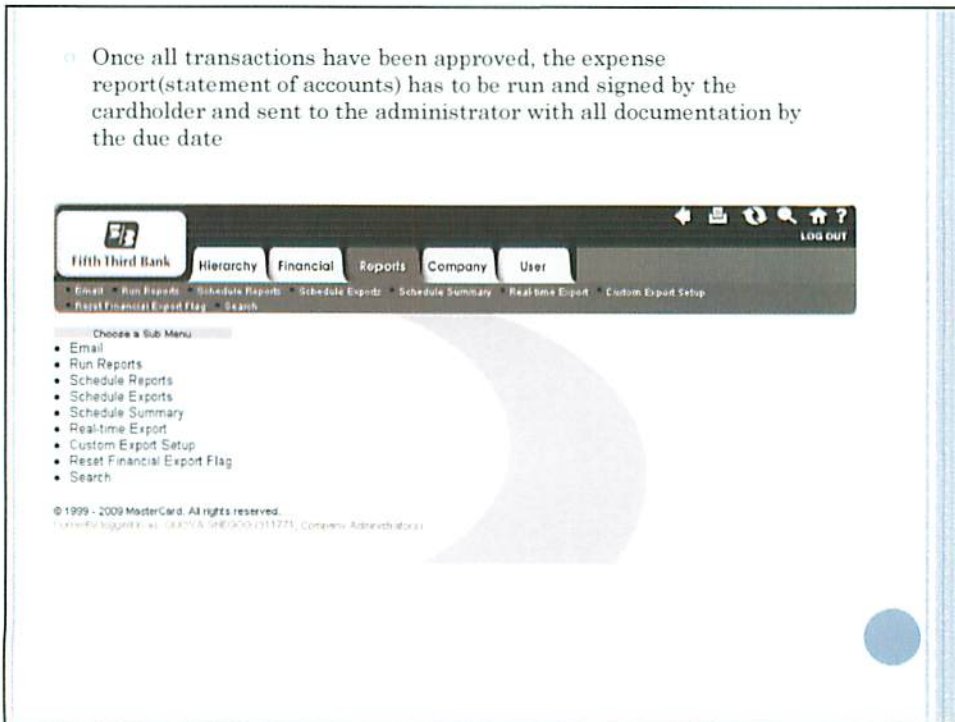
Procurement Card Administrator at Central Office  
 Receives Corporate monthly statement from Bank  
 Verifies statement to documentation per Cardholder to each account

Online review and approves each card's transactions

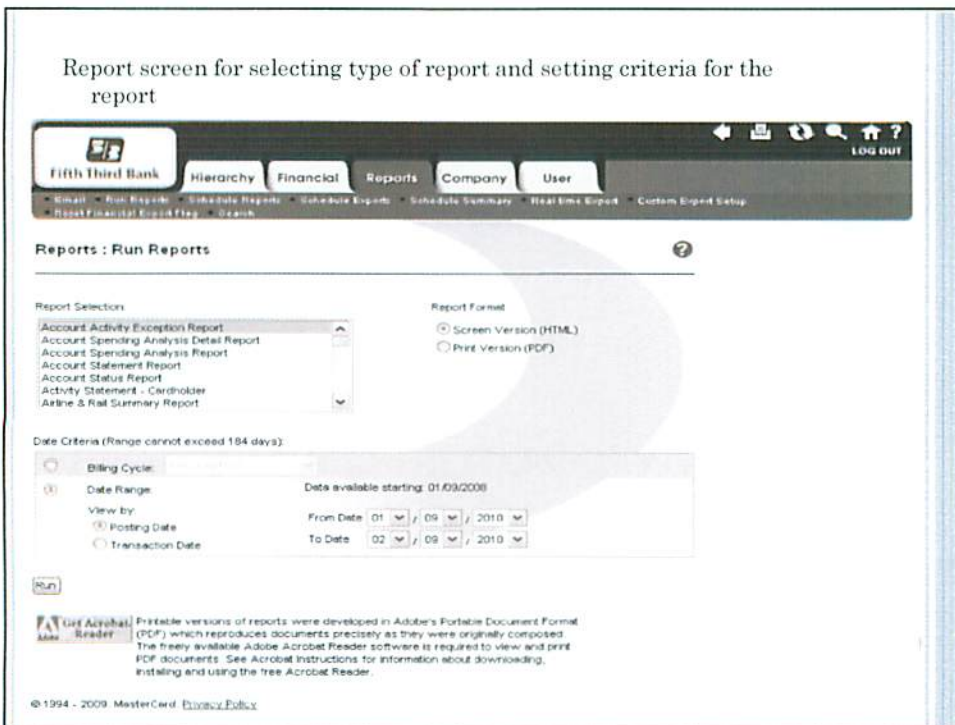
Administrator then exports the data to MUNIS and creates an EFT file to send to the bank for payment



- Once all transactions have been approved, the expense report(statement of accounts) has to be run and signed by the cardholder and sent to the administrator with all documentation by the due date



Report screen for selecting type of report and setting criteria for the report



QUESTIONS?



THANK YOU!

