

# CAPITAL AREA SCHOOL FOR THE ARTS CHARTER SCHOOL

SECTION: FINANCES

TITLE: PROCUREMENT CARDS

ADOPTED: September 8, 2014

REVISED:

625. PROCUREMENT CARDS	
1. Authority	<p>The Capital Area School for the Arts Charter School Board approves the use of procurement cards by designated employees in order to make authorized purchases of goods and/or services for official use. The use of procurement cards is intended to improve the efficiency of authorized purchasing activities, reduce processing expenses, improve controls for small-dollar purchase, and streamline vendor payments. The Board directs the administration to enforce this policy and to establish additional procedural safeguards to prevent misuse of such procurement cards.</p> <p>The Board may authorize the purchase of adequate insurance coverage for procurement card misuse as it may deem necessary.</p>
2. Definition	<p>Procurement Card – a corporate charge card issued to designated employee(s) by the school to make authorized purchases of goods and/or services for the school.</p> <p>Designated Employee – an employee who has been issued a procurement card by the School Board in order to make authorized purchases using that card in compliance with this policy.</p>
3. Delegation of Responsibility	<p>The Board Treasurer shall be primarily responsible for the enforcement of this policy; however, the Principal or designee shall ensure that any alleged violations of this policy shall be investigated and otherwise reported to the Board.</p> <p>A list of all designated employees issued procurement cards shall be maintained with the Treasurer. The issuance of a procurement card is not an entitlement of any employment position, nor reflective of title or position. Procurement cards may be issued to employee based upon their legitimate needs to purchase goods or services for the school. A procurement card issued to a designated employee may be revoked at any time without prior notice.</p> <p>All use of procurement cards shall be supervised and monitored on a regular basis by the Treasurer, who shall ensure the use of such cards is in accordance with this policy and the funds budgeted for this purpose.</p>

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<p>4. Guidelines</p>	<p>Proper accounting procedures for the use of procurement cards shall be developed, distributed, implemented, and monitored by the Treasurer.</p> <p>The following guidelines apply when a designated employee is issued or uses a procurement card under this policy:</p> <ol style="list-style-type: none"><li>1. Each designated employee using a school procurement card shall sign a card usage agreement; and abide by the terms and conditions of those policies and procedures.</li><li>2. A designated employee authorized to use a procurement card shall maintain adequate security of the card while it is in his/her possession. Under no circumstances may the card be used by another individual.</li><li>3. A designated employee is responsible to immediately report a lost or stolen procurement card to the Treasurer when the loss or theft is discovered. Failure to report a lost or stolen card shall be considered a violation of this policy.</li><li>4. Procurement cards shall be used only for authorized school purchases and shall not be used for personal purchases or purchases prohibited by this policy or applicable laws or regulations.</li><li>5. The designated employee shall retain the original customer's copy of the charge slip, along with the detailed receipt, which identifies every purchase and its corresponding cost when the procurement card is used. For telephone orders, the designated employee shall retain the receipt and/or packing slip. The designated employee shall write a narrative description of the account/project to be charged, on the back of each receipt.</li><li>6. Where supporting documentation is missing, the designated employee must contact the vendor and request a duplicate receipt. Failure to provide adequate documentation shall result in disciplinary action and employees may be required to make payment for such transactions.</li><li>7. The school is exempt from paying any Commonwealth of Pennsylvania (and generally all other states) sales and/or use of tax, even if the purchase is made with the procurement card. The designated employee is responsible to make the vendor aware that the procurement card purchase will be tax exempt prior to processing the sale.</li><li>8. If the vendor charges sales tax on the procurement card purchase, the designated employee shall contact the vendor and obtain a credit equal to the amount of the sales tax. The vendor will not be permitted to issue cash to settle a sales tax error.</li></ol>
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9. All information relating to a designated employee's procurement card purchases shall be submitted to the Treasurer within seven (7) days after receipt of the monthly statement of purchases.
10. For every purchase made with a procurement card, the designated employee must be prepared to substantiate necessity or official use.
11. The designated employee shall reimburse the school the full cost for any unauthorized or prohibited purchases using a procurement card. Additionally, a designated employee may be subject to disciplinary action for violating this policy.

The purchase of the following items using a procurement card shall be subject to the prior authorization procedures listed below:

1. Travel and travel-related costs – all such purchases shall be pre-approved by the designated employee's immediate supervisor and only for the reasonable transportation and/or lodging expenses to attend a conference or training session related to his/her work responsibilities.
2. Meals and food – no purchases of meals or food are authorized, subject to the following exception: (a) designated employees may be authorized to purchase meals for themselves while attending work-related conferences or training sessions when meals are not provided to conference or training session attendees.
3. Purchases Exceeding Established Spending Limits – a designated employee shall not exceed, or attempt to exceed, the established monthly and/or annual spending limit for the procurement card issued to him/her. Additionally, for any expenditure that exceeds \$500, pre-authorization shall be obtained for said purchase from the Treasurer. The Treasurer may establish a higher dollar limit for pre-authorization of purchases subject to the approval of the Board.

Violations of this policy by an employee shall result in disciplinary action, in accordance with Board policy.

The established procedure for processing purchases by designated employees using procurement cards shall be as follows:

1. Designated employees deal directly with the "authorized" vendor (including communication for any disputed transactions including sales tax).
2. The Treasurer receives monthly procured card statement and distributes individual statements to designated employees.

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3. Designated employees verify receipt of purchased items, forward receipts, and sign as correct. Designated employees are responsible to provide adequate description of each item purchased to allow for proper coding of the items for entry into the financial software package.
4. The Treasurer reviews statement with receipts attached and signs approval.
5. The Treasurer verifies all reconciliations, assigns appropriate account codes and investigates discrepancies.

Procurement cards shall not be used to circumvent any bidding process required by law. Purchases over \$4,000.00 shall require the use of a purchase order in accordance with established Board policy and administrative regulations.

Procurement cards shall not be used for purchases that could be anticipated at the beginning of the school year and would circumvent the bidding process required by law.

References:

School Code – 24 P.S. Sec. 510, 751, 807.1

Board Policy – 317, 417, 517, 610, 611