

## **Bismarck School District Cardholder Manual**

Authorized cardholders of the Bismarck School District may use purchasing cards to acquire goods and services from suppliers. Cardholders are identified by their supervisor and authorized by the Business and Operations Manager.

### **What is a Purchasing Card?**

The purchasing card is a method of payment for school employee use to make purchases for official school business and the administration encourages the use of the purchasing card.

The purchasing card payment system is an individual bill/central payment system. The Accounting Department obtains a consolidated electronic billing file and makes payment to JP Morgan on behalf of all cardholders. Expenditure transactions are processed through our business software and posted to the appropriate school accounting records.

### **A purchasing card is**

1. Authority delegated by Business and Operations Manager to individual school employees.
2. For official Bismarck School District use only.
3. Authorized for purchase of goods and services for Bismarck School District.

### **A purchasing card is not**

1. A means to avoid appropriate payment procedures.
2. A means to access cash or credit.
3. A right of employment.
4. For personal use.

### **What are the Benefits of a Purchasing Card?**

The purchasing card enables personnel to perform more effectively and focus on the value-added aspects of their jobs by:

1. Reducing administrative costs for the school district.
2. Eliminating purchasing delays.
3. Reducing the amount of paperwork.
4. Improving supplier relations.

5. Receiving increased information about purchasing transactions.
6. Reducing the number of checks issued.
7. Revenue cost sharing.

### **Cardholder Selection**

Cardholders are identified by their supervisor and approved by Business and Operations Manager. Cardholders must sign a cardholder agreement as a condition of card issuance and use.

### **Cardholder Limits**

A \$1,500 single purchase limit and a \$5,000 monthly maximum limit are the basic P-card amounts. To request higher limits, contact the Business and Operations Manager. P-cards are limited to purchases authorized by District policy. For example: your P-card may not be used for cash advances, liquor, or any unallowable expense.

### **Cardholder Credit Rating**

When uses of the purchasing card result in a liability to Bismarck School District; it is not a personal liability for the cardholder. The cardholder's credit rating will not be affected. However, it is important to remember that the cardholder agrees to the terms and conditions of using a purchasing card and is personally liable for any misuse of the purchasing card as outlined in NDCC 44-08-05.1.

JP Morgan provides liability protection to the District once notification of any loss, theft, or fraudulent use is made. However, the same level of liability protection does not apply to cards that are made available to multiple users. If multiple users are allowed to use a card, for example a card assigned to a summer school program, the person who signed the cardholder agreement is held responsible for charges made on that account.

### **Guidelines for Purchasing Card Use**

The following items cannot be purchased with a purchasing card without School Board approval:

1. Non-business/personal items.
2. Any item requiring formal bidding under NDCC 15.1-09-34 or Ch. 48.01.2, in which case formal bidding procedures must be followed before purchasing is authorized.

The Business and Operations Manager may place additional purchase card limits on individual card holders on a case-by-case basis. Unauthorized and personal purchases shall become the responsibility of the card holder and must be paid back to the District within 30 days.

### **General Instructions for Card Use**

Cardholders should give vendors their purchasing card number and expiration date, or present the card at the point of sale and tell the vendor that the school district is exempt from sales tax.

*NOTE: Bismarck School District's tax-exempt number is on the front of the card.*

1. Bismarck School District's policies, rules, and guidelines must be followed.
2. All large purchases must be competitively bid according to NDCC 15.1-09-34 or Ch. 48.01.2.
3. If the material is to be shipped or delivered, tell the vendor to enclose or mail a copy of the receipt/invoice with each shipment. Have the vendor mark it "Credit Card Order–Paid" to avoid duplicate payments. If the material is to be picked up, obtain the itemized receipt indicating the purchase price.
4. Retain a copy of the original receipts/invoices for reconciliation of the monthly statement purposes and forward the original receipts/invoices to the Accounting Department.

#### **Statement Verification**

1. A monthly account statement will be sent directly to individual cardholders. (Accounting Department obtains an electronic billing file for payment processing.)
2. It is the cardholder's responsibility to reconcile the monthly account statement with the copies of the receipts/invoices and then forward the statement to the Accounting Department. If inaccuracies and/or erroneous information exist, the cardholder must immediately notify the Accounting Department.

#### **Vendor Does Not Accept Credit Cards**

Not all vendors accept purchasing cards. If this happens:

1. Complete the transaction using traditional purchasing procedures.
2. Choose another vendor who accepts the P-card.

#### **Returns, Credits and Disputed Items**

Individual cardholders are responsible for notifying the Accounting Department on any erroneous charges, disputed items, or returns as soon as possible. Disputed billings can result from failure to receive the goods charged, defective merchandise, incorrect dollar amounts, duplicate charges, credits not processed, as well as fraud and misuse.

Credits: Referring to the receipt/invoice, request the merchant place a credit on the card account.

Returns: A credit should be issued for any item that the vendor has approved for return. The credit will appear on a subsequent cardholder statement. Any returned item purchased with the purchasing card must be returned for credit.

Maintain documentation of all credits, returns, and exchanges. This is to be attached to the monthly account statement that reflects the transaction.

Disputed Items: If the cardholder has a disputed charge they should notify the Accounting Department. The Accounting Department will complete the online Dispute Form.

### **Declines at the Point of Sale**

If a cardholder's card is declined at the point of sale, the cardholder should contact the Accounting Department, who can determine why it is being declined and will be able to make account adjustments as needed. Some reasons for a decline include:

1. The cardholder has failed to activate the card by calling the toll free number listed on the sticker placed on the front of the card.
2. The cardholder has exceeded the designated single or monthly transaction limit.
3. The cardholder attempts to use the card for a blocked supplier category.

### **Purchasing Card Security**

The purchasing card is to be treated with the same level of care that is afforded personal credit cards.

1. Do not post or write the purchasing card account number in any location that is accessible to others.
2. Use only secure web sites when sending the purchasing card account number over the Internet.

### **Reporting Lost or Stolen Cards**

The cardholder must notify the Accounting Department and JP Morgan immediately when a card is discovered lost or stolen. Report a lost or stolen card to JP Morgan. This number is available 24 hours a day, 365 days a year. Cardholders will have to provide their full account number and last 4 digits of employee ID. Contact the Accounting Department for assistance if unable to provide correct information.

### **Random Audits**

The Bismarck School District Superintendent or the Business and Operations Manager, the State Auditor's Office, and JP Morgan may conduct random audits of purchasing card use. The primary purpose of the audit is to ensure that purchasing card program procedures are being followed and that:

1. Bismarck School District procedures are being followed.
2. The purchasing card is being used for appropriate transactions.
3. Supporting documentation is complete.

### **Failure to Comply with Program Guidelines**

Any misuse of the purchasing card or failure to comply with the applicable policies and procedures may result in the following:

1. Revocation of the purchasing card.
2. Repayment of transactions resulting from personal use of the purchasing card. Repayment will include any applicable taxes.
3. Appropriate disciplinary actions, which may include a recommendation for termination, which shall be handled in accordance with the negotiated agreement, applicable policy, and law.

**Termination of Employment with the School District**

If the cardholder's employment is terminated with the school district, the cardholder must return the purchasing card to the Accounting Department, who will cancel and destroy the card.

**Bismarck School District P-card Resources**

For assistance with the following, please contact the Accounting Department.

1. For questions concerning policies and procedures.
2. To replace damaged cards.
3. For account inquiries.
4. For billing information.
5. Dispute assistance.
6. Declined cards.
7. To report a lost or stolen card.

For the following, please contact **JP Morgan**

1. Report Lost/Stolen Cards.
2. Fraud Inquiry.