SOUTH KITSAP
SCHOOL DISTRICT
Nurturing Growth • Inspiring Achievement • Building Community

Procurement Card Guidebook

Section I
Program Guidelines

PROCUREMENT CARD GUIDEBOOK
South Kitsap School District

INTRODUCTION

Welcome to South Kitsap School District's Procurement Card Program. The procurement card concept is designed to delegate the authority and ability to purchase these low value items directly to the person to whom it matters most, YOU, the user. Authorized procurement card users will be able to make purchases much easier, faster, and more economically than before. Paperwork and processing in the purchasing, receiving and accounts payable functions will be improved. These efficiencies will allow all groups and individuals involved to be more effective and focused on the value-added aspect of their jobs.

The District procurement card program is contracted through JP Morgan Chase & Co., the State of Washington contractor for credit card services.

CONTROLS

The procurement card program utilizes internal management controls and management information reporting to ensure that our policies, procedures, and objectives are being achieved. The District procurement card program is blocked from purchases in designated merchandise class codes. Within each school/department transactions are reviewed at multiple levels for compliance and appropriateness.

OBTAINING A PROCUREMENT CARD

Upon approval from your principal/budget administrator, a confidential data application will be required. The application will be submitted to the bank to obtain a card for you or for school/department use. The District's procurement card program is administered through the Business Services department and can be reached at 874-7023 (Purchasing Technician) or 874-7081 (Business Manager).

You will be notified when your card is available for issuance and once you sign a Procurement Card User Agreement, the card will be given to you. You can then purchase items for your school/department within the parameters set forth in the procurement card policy, procedure, user agreement, and these operating guidelines. Please keep cards in a secure, locked location.

OPERATING GUIDELINES

The procurement card may be used at any qualified merchant who accepts VISA credit cards. The procurement card may be used for current year expenses only – (the expense should be charged to the year goods are utilized). It is understood that there are some restrictions on the types of allowed purchases and that other means of purchasing may be required. It is also understood that there are maximum transaction limits assigned to each card and that your procurement card manager will be aware of these limits. Contact Purchasing with questions regarding specific situations.

Regardless of means of payment, the District is required to meet bid law, public works law as well as many other legal requirements. It is the responsibility of each card user to ensure all purchases made with the card are in compliance with Federal, State and district policies and procedures. If you have questions regarding legal compliance, please contact the Purchasing Department.

In an effort to meet bid law, South Kitsap School District has identified several areas that are bid sensitive. See **S:\Business Services Procedures and Forms\Business Services Procedures Guidebook** for a current listing of our Designated Bid Vendors. Most of our designated bid vendors are set up to take a procurement card.

In addition, depending on the transaction type, it may be more prudent to use a purchase order as the acting contract. If you have any questions about whether a procurement card should be used in a given situation, please contact the Purchasing Department before making the transaction.

Examples of the types of purchases the card can be used for (in the same fiscal year) are:

- General supplies
- Subscriptions
- Memberships
- Educational materials*****
- Registrations
- Pre-authorized travel arrangements (Hotel, air, vehicle rental (no travel food or gas)) ** The ONLY exception to this is when rental car arrangements are booked for OUT OF STATE TRAVEL; if a rental car is used out of state, and not arranged by the Transportation Department, the procurement card can be used for fuel purchases**.
- Furniture********

The following are some examples of inappropriate procurement card purchases:

- Entertainment
- Personal Services Agreements
- Gasoline
- Cash

Gifts/donations/flowers
Contracts
Salaries/wages/benefits
Cell phones/pagers

Questions? Contact: Business Manager ~ Ext.7081 or Purchasing Technician Ext. 7023

- Public Works Contracts
- Technology Equipment **
- Pesticides

Personal Use
Food while on travel status
Custodial Supplies***

Note:

*** All purchases made with Federal grant dollars MUST have proper bid compliance followed when over $10,000. This INCLUDES aggregate purchases totaling $10,000 or more. As an example, if you make five purchases of $2,100 each (for a total of $10,500) in supplies from Amazon, proper bid compliance including three quotes, and suspension and debarment must be followed. Please contact the Purchasing Department with questions.**

All educational curriculum materials must be pre-approved by the Instructional Services Department prior to being purchased with a procurement card.

****** All technology equipment purchases (including software, PDA's, and all equipment that has the potential to be attached to a computer) are pre-approved by the IT Department and must be ordered with a purchase order. Consumable technology supplies (such as toner, memory sticks and computer mouse) can be ordered with a procurement card using designated bid vendors.

******* All custodial purchases should go through Facilities and Operations and can be purchased via purchase order or from the warehouse.

******** See Designated Bid list on the S: Drive for furniture purchasing guidelines.

<u>School/department administrators do not have the authority to make exceptions.</u>

Consequences for non-compliance to program guidelines:

- Permanent revocation of procurement card privileges
- Assignment of wages for repayment of discrepancies
- Notification to the district's accounting and security department for investigation
- Disciplinary measures that may include termination and legal action

Section II

Purchases Using the Procurement Card

Request a Purchase – Non-Cardholder

To request a purchase:

- Complete a "Request for Purchase," form # 68ADM (be sure to identify ALL costs involved, including shipping and handling) and return to the budget administrator for approval.
- This form is available from:
  - S:\Business Services Procedures and Forms\Links to Business Services Forms\Purchasing Forms\P- Request for Purchase F68_Rev.040517
  - Your department/school bookkeeper
  - Purchasing Technician
  - District Office Receptionist

Once the "Request for Purchase" form has been approved and signed, your request will be assigned a requisition number and be either:

- Converted into a purchase order; or
- You may check out a purchasing card to complete your transaction in person or via the internet.

Checking out the Purchasing Card:

If it is determined that the best method to purchase the goods and/or services is by using the procurement card,

- An approved "Request for Purchase" form will need to be provided to your Procurement Card Coordinator
- The employee checking out the card will agree and sign a Procurement Card Agreement acknowledging their responsibilities when using the card. Procurement Cardholder Agreements are signed on an annual basis and the original is forwarded to the Purchasing Technician in Business Services. A copy must also be retained with the Credit Card Coordinator for their records. It is the responsibility of the Card Coordinator to make sure they have a current signed Procurement Cardholder Agreement for each employee that is allowed to use the card.
- The employee checking out the card will sign the "Transaction Log Book, acknowledging possession and the responsibilities of checking out the procurement card. The date and time the card is checked out/in must be completed.
- The employee shall complete the transaction with the vendor, as per approved requisition by one of the following methods:

Local Purchases

- Complete the transaction with vendor as per the approved requisition.
- Write the following information on your receipt:
  - Requisition number, if applicable
  - Sign your full name
  - Date it ***<u>Use the date we took possession of the item and not the current date</u>***.
  - Write “Ok to Pay”
- Return the procurement card and the itemized sales receipt, and/or any other information related to the purchase(s) to the procurement card coordinator and initial the log book, verifying return of the purchasing card.

Phone Orders

If ordering over the phone,

- Complete the transaction with vendor as per the approved requisition.
- Provide the vendor the procurement card information
    - Card type: Visa
    - Card name
    - Expiration date
    - School/department’s name, telephone number, and shipping address
- Direct merchandise to be <u>shipped to a South Kitsap School District address</u>.
- Request a receipt or confirmation number; <u>plus</u> an emailed or faxed confirmation of your order reflecting the confirmation number.
- Note the name of the person and phone number to which you placed the order. This contact information is used for:
  - Following up if an order confirmation was not received.
  - If there are problems with the order once it is received.
  - If there are problems with the amounts billed on the procurement card.
- Write the following information on your receipt:
  - Requisition number, if applicable
  - Sign your full name
  - Date it ***<u>Use the date we took possession of the item and not the current date</u>***.
  - Write “Ok to Pay”
- Return the procurement card and the itemized sales receipt, and/or any other information related to the purchase(s) to the procurement card coordinator and initial the log book, verifying return of the purchasing card.

Internet Orders

- **Try and use vendors you are familiar with as often as possible.**
- **Use secure websites.**
- Complete the transaction with vendor as per the approved requisition.
- Print a final confirmation of order to serve as your receipt.

- Write the following information on your receipt:
  - Requisition number
  - Sign your full name
  - Date it *** Use the date we took possession of the item and not the current date***
  - Write "Ok to Pay"
- Return the procurement card and the itemized sales receipt, and/or any other information related to the purchase(s) to the procurement card coordinator and initial the log book, verifying return of the purchasing card.

Receipt Documentation

Note: Receipts are required on all transactions and faxed orders appear to be more difficult to obtain receipts. It is recommended that orders are placed online where a receipt can be printed immediately, or by phone, where a receipt can be requested from a live person.

Retaining accurate transaction documentation is critical for the reconciliation process and audit requirements of the District. Receipts, order confirmations, online order reference numbers, packing slips (or proof the merchandise was obtained) etc., must be retained for each transaction.

Note: Each transaction must have some type of supporting documentation – No Exceptions –

Backorders

- Partial order shipments:
  - Denote on the "Request for Purchase" form the items that are received, and the items backordered.
  - Denote on the packing slip your "Ok to Pay" along with the date the items were received and your initials.
  - Make a copy of the "Request for Purchase" form.
  - Use the copy of the approved Request form along with the signed packing slip as documentation for the current month's JP Morgan reconciliation.
  - Place the original "Request for Purchase" form back into your pending file until the complete order has been received.
- Final Shipment Received:
  - Denote on the new packing slip your "Ok to Pay" along with the date the items were received and your initials.
  - Attach the original "Request for Purchase" form to the packing slip and use as your receipt documentation for the JP Morgan monthly reconciliation.

Backorders that are not received by August 31st of a given year do not qualify for current year purchases and will be applied to the next year's budget.

If you are accessing a budget that has not been approved for the following fiscal year, confirm approval and availability of funds before allowing the backorder to cross years

No Receipt Available; or Lost Receipt

- Contact the vendor via phone, website, email, or fax and request a copy of the receipt. (Diligent effort is critical; failure to provide receipts may result in loss of purchasing card privileges)
- As a last resort complete the "Affidavit of Lost Receipt". (S:\Links to Business Services Forms\Credit Card Forms\P-Affidavit of Lost Receipt)
- Sign Affidavit of Lost Receipt
- Obtain signature of Budget Administrator.
- Send Affidavit of Lost Receipt to the Purchasing Technician in the Business Office for approval and signatures.
- Once approved, the Affidavit will be returned to the Card Coordinator. File with monthly Procurement card receipts

Returns/Credits

If you are returning merchandise in person to a vendor, obtain a receipt that credits back the original procurement card -**Do not accept cash**. Sign and date the receipt as your acceptance of the credit and turn it in with your transaction records as you would a normal receipt/invoice.

If a purchased item needs to be shipped back to the vendor for any reason:

- Complete a Return Authorization Form (S:\Business Services Procedures and Forms\Links to Business Services Forms\Purchasing Forms\P- Return & Shipping Authorization Form 25B)
- Determine who is paying for the return. (If the problem was caused by the vendor or is an equipment defect, the vendor should issue a tag to pay for return shipping charges.)
- Always contact the vendor to obtain a Return Authorization Number (RMA#) and instructions on how and where to return the merchandise. Do not assume the merchandise should (or can be) returned to the purchase from address. Shipping returned merchandise to the vendor normally requires vendor authorization to ensure proper credit.
- If you are shipping merchandise back to the vendor and the vendor does not require a RMA number, document the employees name and phone number that authorized the return on the Return Authorization Form 25B. Also ask the vendor where to ship the merchandise, and if there are any special instructions. (Documentation is crucial)
- Once you have completed the Shipping and Return Authorization Form, make three copies.

If vendor is financially responsible for return shipment

- Insert a completed copy of Form 25-B in each package to be returned to the vendor. Document on the form how many boxes you are sending.
- Seal box securely.
- Mark the outside of the box with the RMA#, (if one was provided). Package the returned merchandise per the vendor's instructions.
- Wait for the UPS driver to pick up package from your location.
- Attach customer call tag receipt on the original Form 25-B and document date of UPS pick up.
- If the original purchase was by purchase order retain a copy in building files and send original to accounts payable.
- If the purchase was via the procurement card, file a copy with credit card receipts to reconcile the next month's statement.

If SKSD is financially responsible for return shipment

- Insert a copy of Form 25-B in package to be returned.
- Seal box securely.
- Fill out UPS label(s); one label per package.
- Wait for the UPS driver to pick up package from your location.
- If the original purchase was by purchase order, retain a copy in building files.
- If the purchase was via the procurement card, file a copy with credit card receipts to reconcile the next month's statement

The merchant will issue a credit for returned items. (Typically the item will be paid in one cycle, and a credit will appear in the next 60 days or two billing cycles).

Travel

The signed travel form will be used as the "Request for Purchase" form and must be included in the reconciliation documentation each month that purchases are applied to the procurement card.

- Complete and print the travel form at S:\Business Services Procedures and Forms\Links to Business Services Forms\Travel Forms\Travel 2020 (select appropriate form for overnight travel with or without students). Obtain approval from appropriate budget administrator.
- Make travel arrangements using procurement card or take a copy of the completed travel form to submit with purchase order request.
- Obtain receipts and/or confirmations to attach to travel form.
- Retain travel form in pending file for procurement card reconciliation.
- Reconcile procurement card statement as per instructions.
- If all expenses are not posted to procurement card, make copies of travel form and file in next months pending file.

Traveler should forward to Accounts Payable in the Business Office a copy of their finalized travel form for reimbursement of approved expenses.

No food is to be purchased using the procurement card - food is paid through per diem.

Additional Information

- It is the responsibility of each location/department to notify the Business Office of any staff changes.
- Be aware of transaction limits on cards. Procurement card limits can be increased on a temporary basis to accommodate larger purchases if approved by your budget administrator. If needed, please contact the Purchasing Technician or Business Manager in the Business Office.

Disputes

Sometimes charges will appear on your statement that you do not recognize.

The first step in identifying a charge is to review your receipts and match the receipts with the charges. (Sometimes a charge will come from a different city as the vendor may have a corporate office in a separate location compared to the retail outlet).

Call the vendor immediately if you do not recognize a charge. (Most unidentified charges can be cleared up by calling the vendor).

If you are unable to resolve the issue within a few days

- Contact the Purchasing Technician in the Business Office for assistance.

The Purchasing Technician will let you know when the dispute has been resolved. Look for the credit on your monthly statement.

- Once the credit has posted, attach any documentation that you have i.e. emails, etc. to your monthly statement to document the credit.

Lost or Stolen Cards

Like your personal credit cards, if your purchasing card is lost or stolen, you must promptly notify the department Card Coordinator and contact the Purchasing Technician or Business Manager (if can't get ahold of Purchasing Technician) as soon as possible.

Purchasing	360-874-7023
Business Manager	360-874-7081

The card will be closed and a new card will be issued and sent to Business Services in the District Office. If the old card is located at a later date, destroy it and dispose of it. Do not attempt to use the old card after it has been cancelled.

Preventing Fraud

- Control physical access to your personal computer (PC); that is, do what you can to prevent unauthorized persons from using your PC.
- If you are using your PC and need to walk away from it for any reason, log off or lock your workstation.
- Select passwords that would be difficult for others to guess and change them frequently.
- Do not give your passwords to anyone. Do not save passwords on your website or leave written notes with your password near your PC
- Report suspicious activity you notice relating to your PC or use of your PC to the appropriate parties and do so as quickly as possible. If you notice suspicious activity relating to JP Morgan accounts that you access online, promptly report

that activity to the Purchasing Technician or Business Manager.

"Playing It Safe"

The FTC (Federal Trade Commission) encourages you to take steps to make sure your transactions are secure, and your personal information is protected. Although you can't control fraud or deception on the Internet, you can take action to recognize it, avoid it and report it. Here's how.

- **Use a secure browser** - software that encrypts or scrambles the purchase information you send over the Internet - to help guard the security of your information as it is transmitted to a website. Be sure your browser has the most up-to-date encryption capabilities by using the latest version available from the manufacturer. When submitting your purchase information, look for the "lock" icon on the browser's status bar, and the phrase "https" in the URL address for a website, to be sure your information is secure during transmission.

- **Check the site's privacy policy**, before you provide any personal financial information to a website. Determine how the information will be used or shared with others. Also check the site's statements about the security provided for your information. Some websites' disclosures are easier to find than others - look at the bottom of the home page, on order forms or in the "About" or "FAQs" section of a site. If you're not comfortable with the policy, consider doing business elsewhere.

- **Read and understand the refund and shipping policies** of a website you visit, before you make your purchase. Look closely at disclosures about the website's refund and shipping policies.

- **Keep your personal information private**. Don't disclose your personal information - your address, telephone number, Social Security number, bank account number or e-mail address - unless you know who's collecting the information, why they're collecting it and how they'll use it.

- **Give payment information only to businesses you know and trust** and only when and where it is appropriate - like an order form. Never give your password to anyone online, even your Internet service provider. Do not download files sent to you by strangers or click on hyperlinks from people you don't know. Opening a file could expose your system to a computer virus or a program that could hijack your modem.

- **Keep records of your online transactions and check your e-mail** for contacts by merchants with whom you're doing business. Merchants may send you important information about your purchases.

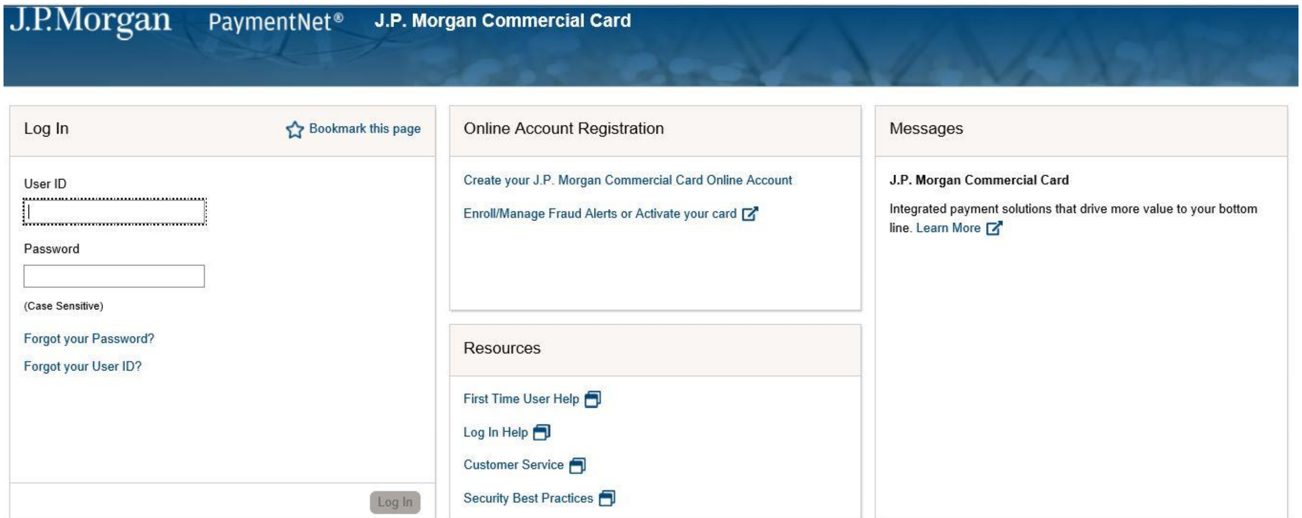
- **Review your monthly credit card and bank statements** for any errors or unauthorized purchases promptly and thoroughly. Notify your credit or debit card issuer immediately if your credit or debit card or checkbook is lost or stolen, or if you suspect someone is using your accounts without your permission.

Section III

On-line with JP Morgan Chase

Getting Started

- Open your Internet Bowser.
- Type the JP Morgan Chase website address into the address bar: https://www.paymentnet.jpmorgan.com
- Press the go button.



You are now at the sign-on screen for PaymentNet.

How to Log into PaymentNet

Sign onto the PaymentNet site by typing in the boxes provided then click the “Login Now” button:

- Enter your Organization ID number (US63905).
- Enter User ID Name and Pass Phrase (case sensitive).

(Contact Purchasing for the ID numbers and passwords)

You are now logged into PaymentNet and will be routed directly to the Welcome Screen.

How to Navigate the Welcome Screen

Welcome to the South Kitsap School District site of JP Morgan Chase. Please take note of the “Messages” section as it contains information that changes periodically.

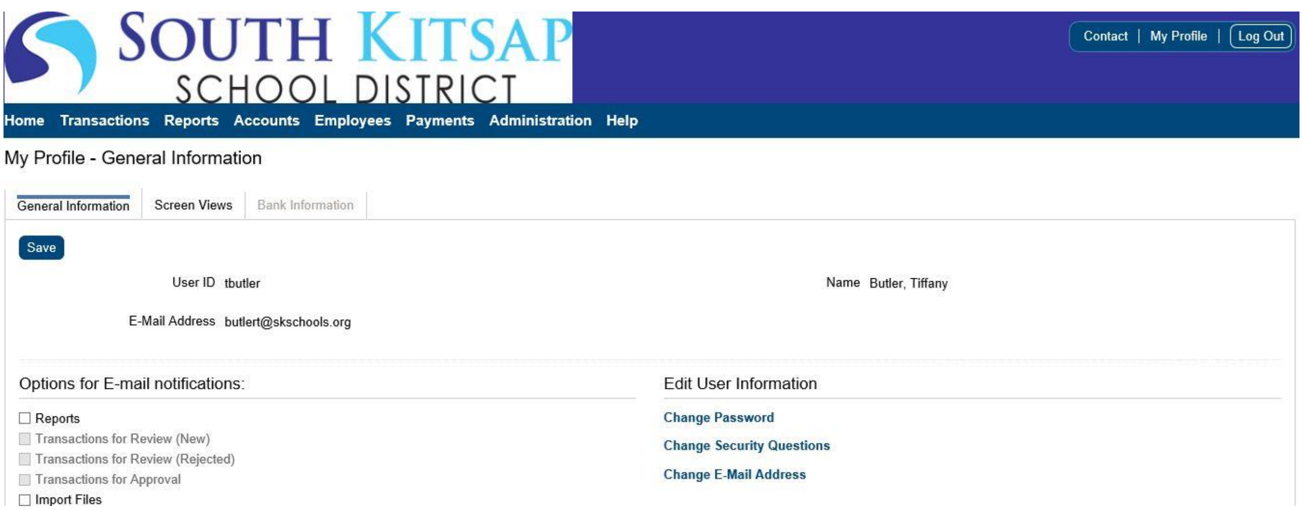
At the right-hand corner of the blue colored bar, you can change your password (My Profile), or logoff.

Note: Always use the LOGOFF option in the main menu when exiting PaymentNet.

Changing Your Password

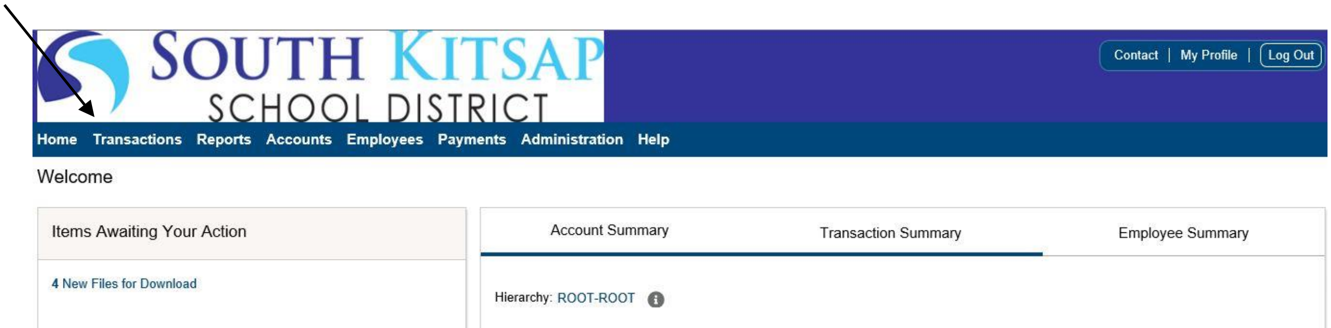
- Click the “My Profile” tab at the top of the screen, and then select the “Change Password” option from the side menu to access the change password screen.
- Payment Net will indicate that your password change was successful.
- Click on “Home” to return to Payment Net’s main menu.

You can use “Change Password” at any time to change your password. The Program Administrator will require password changes every 12 months. If you forget your password, please contact the Purchasing Technician (ext. 7023) to reset it. You will then be able to access the program and update your password again.

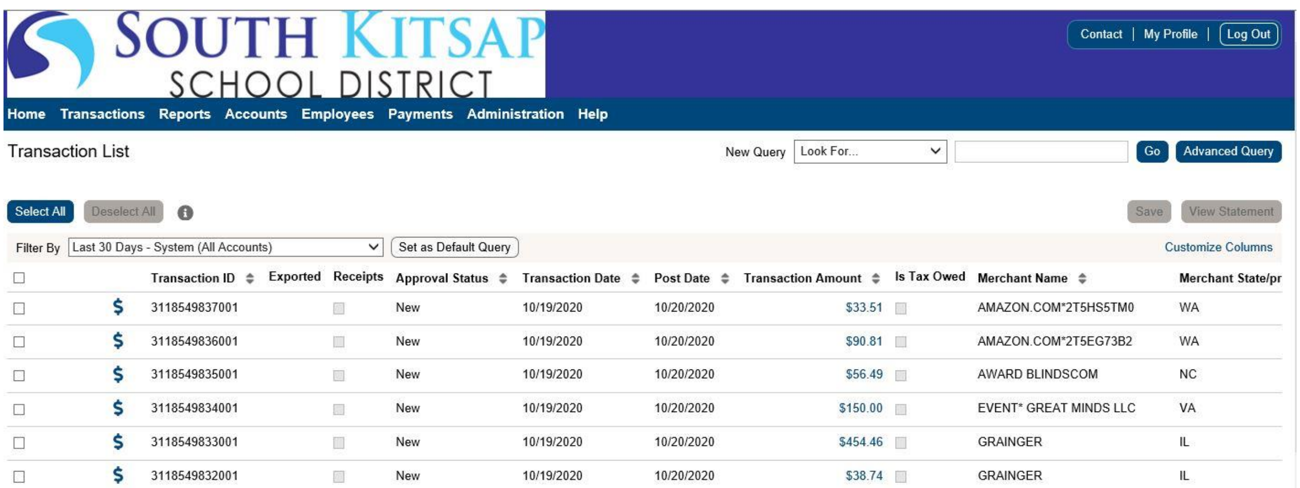


Navigating Within PaymentNet

- Once you are in PaymentNet, select Transaction List from the menu drop-down list.



- In the Transactions menu, select “Manage”. This will allow you to see all of the transactions within the JP Morgan system that are associated with your cards. No review or approval is done within this system however, so the transaction detail is for informational purposes only.



- When your cursor is pulled over a transaction the line is highlighted blue and as your cursor is dragged over a transaction amount the line turns to a “hand” and you can click on any transaction line to access further detail about the transaction.

Section IV

Reviewing and Reconciling Transactions in Skyward

Twice weekly, the Purchasing Technician will import transactions directly from the JP Morgan system into Skyward for your review and approval. Depending upon how your approval levels are set up, the transactions will either go to your Principal or Director for an additional review, or you will just print a skyward transaction report at the end of each month for them to approve. Contact Christine Nystrom (ext. 7039) with any questions regarding security or approver levels.

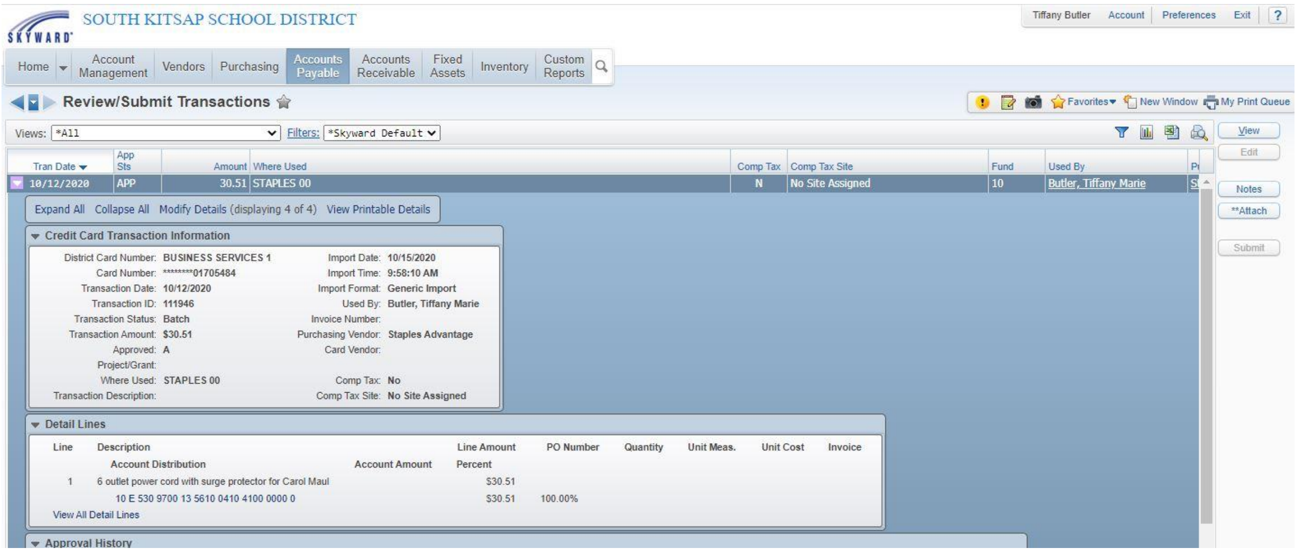
Every 24 hours after transactions are imported into the Skyward system, you will receive reminder e-mails automatically, letting you know that your approval is needed.

<u>To approve transactions:</u>
Log into Skyward and go to Accounts Payable→Credit Cards→Review/Submit Transactions-RT

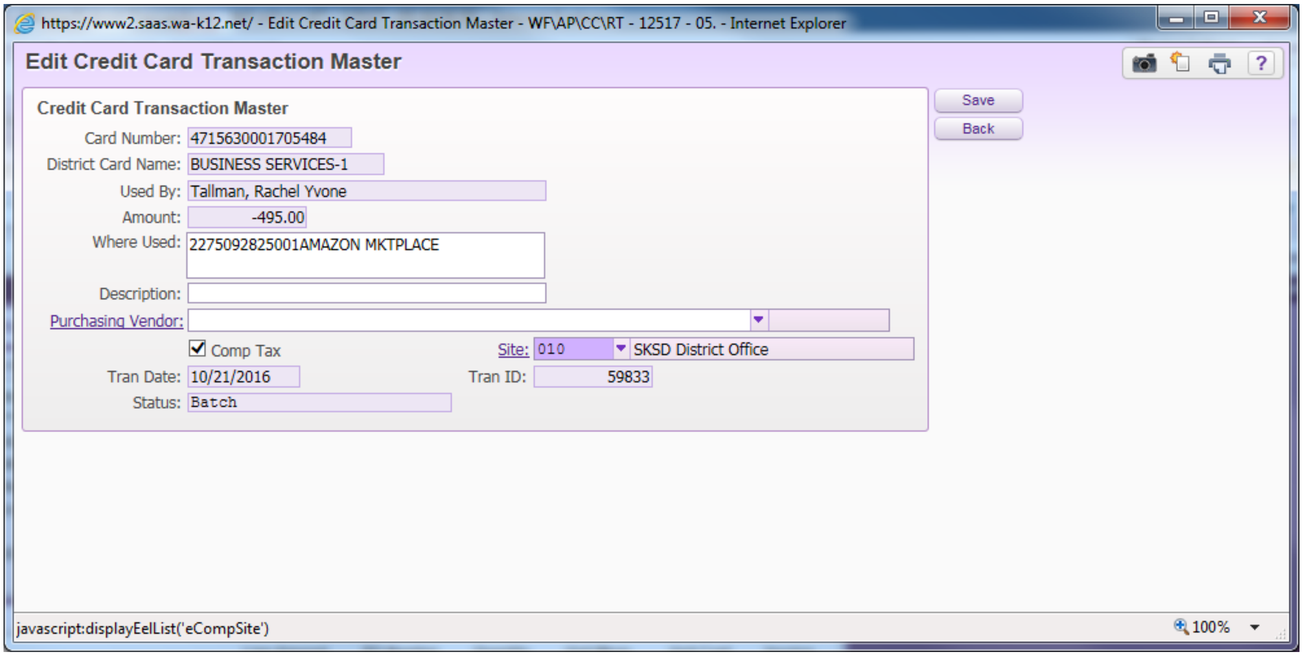
This will bring you to your queue of transactions that are awaiting your approval. If for some reason you don't see your transactions and you know you've had some within the time period imported, contact the Purchasing Technician (ext. 7023) for assistance.

For each transaction, perform the following steps:

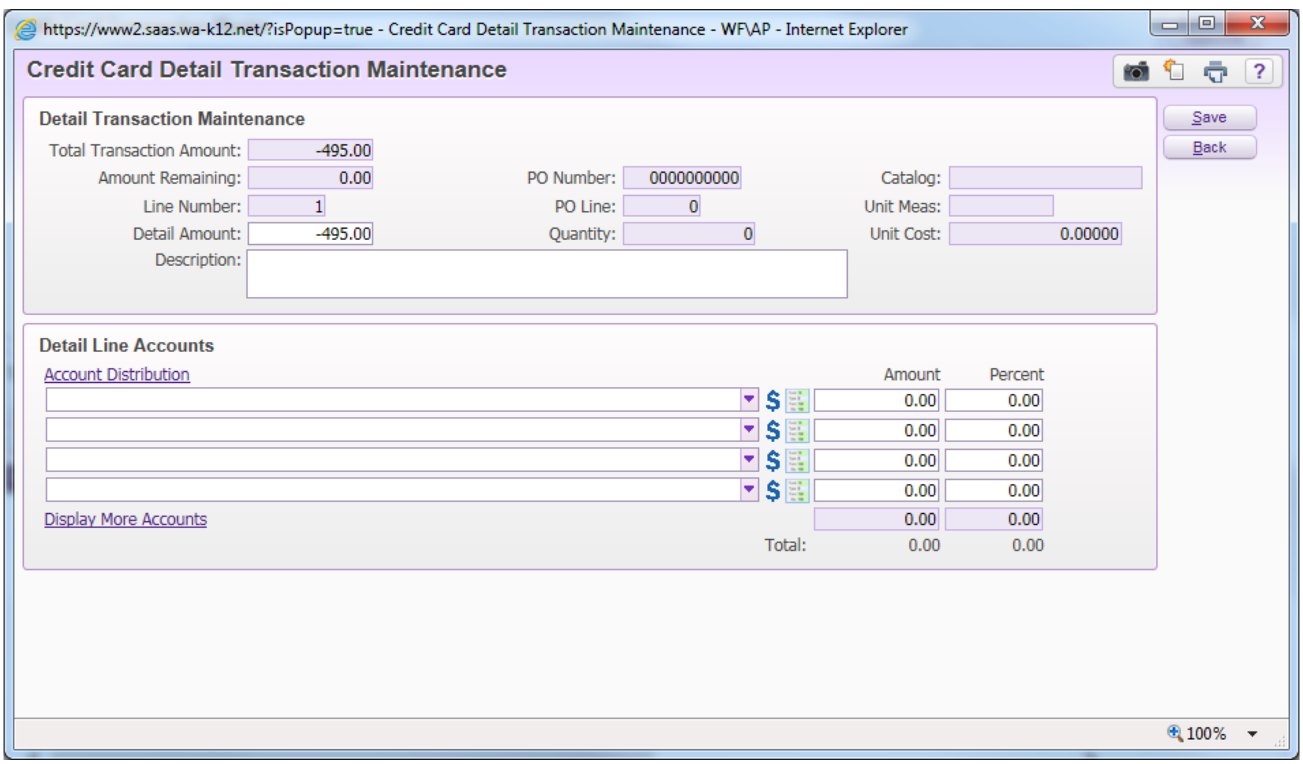
- ✓ Click on the carrot to the left of each transaction individually to show detail
- ✓ Once the transaction is opened, click the “Edit” button on the right-hand side of the screen.



- ✓ This brings you to the “Credit Card Transaction Maintenance” screen. Once here, if you have a transaction that requires comp tax to be added (see chart on page 21 for further assistance making this determination), click on the “Edit Master” button. You will need to then check the box next to “Comp Tax” and in the “Site” field, enter “010” for the SKSD District Office. You will use this comp tax site regardless of what building or school you work at. **<u>DO NOT enter anything into the “Purchasing Vendor” field.</u>** This is for Purchasing use only!!!

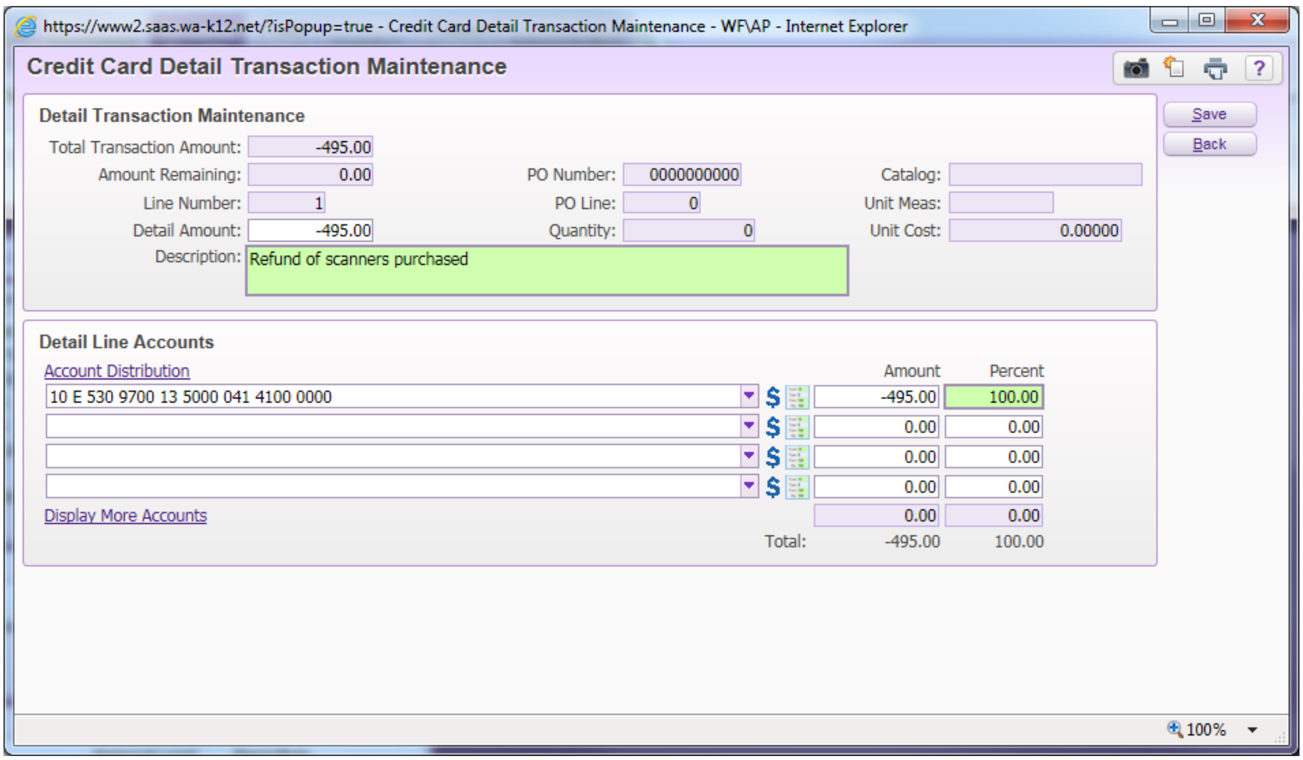


- ✓ Click Save.
- ✓ Once you've saved this, you will be brought back to the "Credit Card Transaction Maintenance" screen. Once here, on the bottom portion of your screen under "Transaction Detail Lines', click on the "Edit" button. This brings you to the "Credit Card **<u>Detail</u>** Transaction Maintenance Screen"

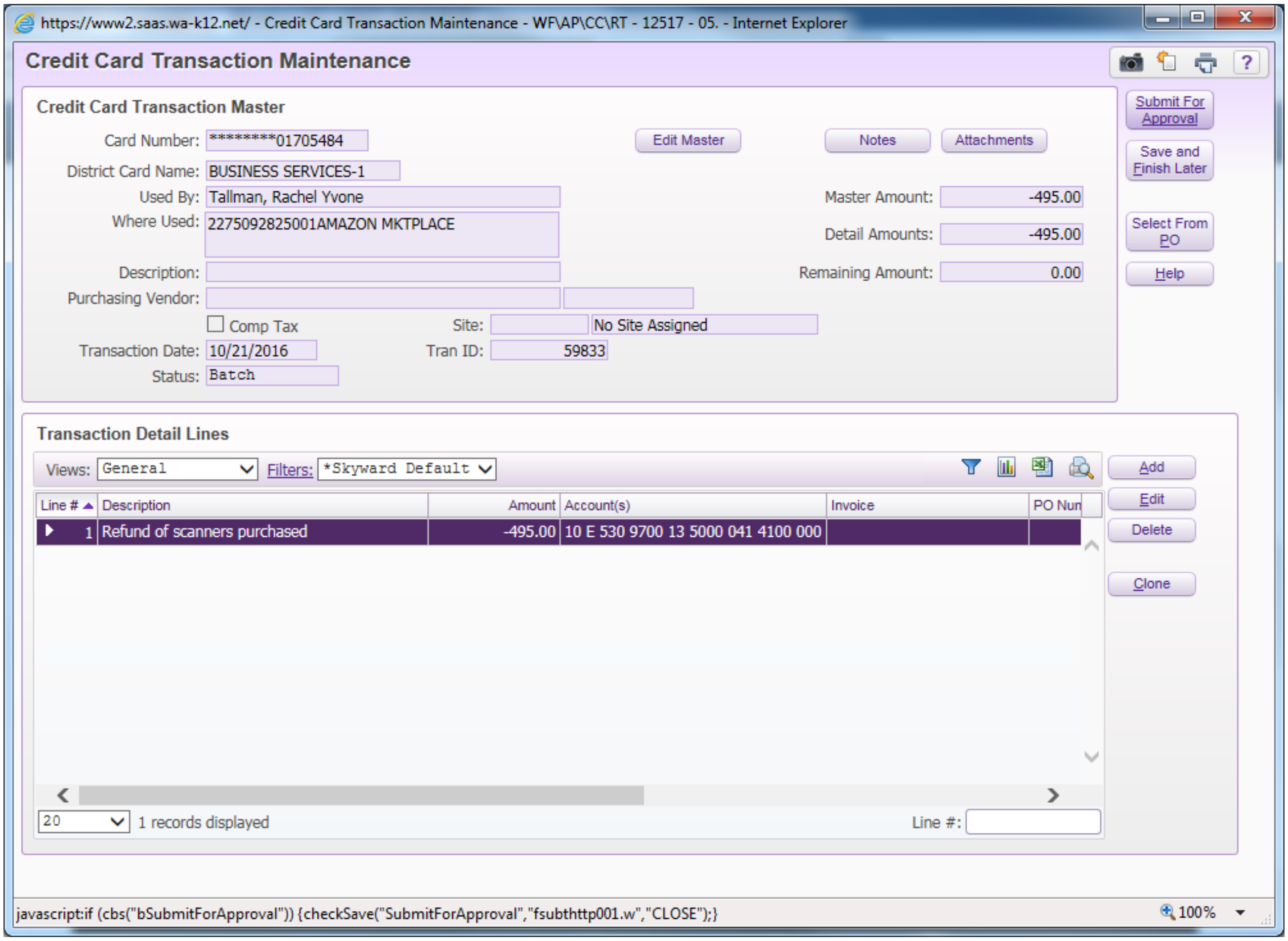


Questions? Contact: Business Manager ~ Ext.7081 or Purchasing Technician Ext. 7023

- ✓ First, enter in a description of the transaction in the “Description” box.
- ✓ Next, enter in the appropriate account code. You can find all of your account codes under the “Account Distribution” section by clicking the drop-down arrow. If you need an account code that you don’t have access to, please contact the Business Manager (ext. 7081).
- ✓ Enter in either 100 under the “Percent” field to show that all the cost is going towards that expenditure, or you can split the transaction by just putting in the percentage or the dollar amount per line. However, once it is entered, the total percentage must equal 100%, otherwise you will get an message stating accounting does not balance. If this happens, recheck total percentage and make sure it equals 100%.
- ✓ Once it does, click Save and error message will not appear again.



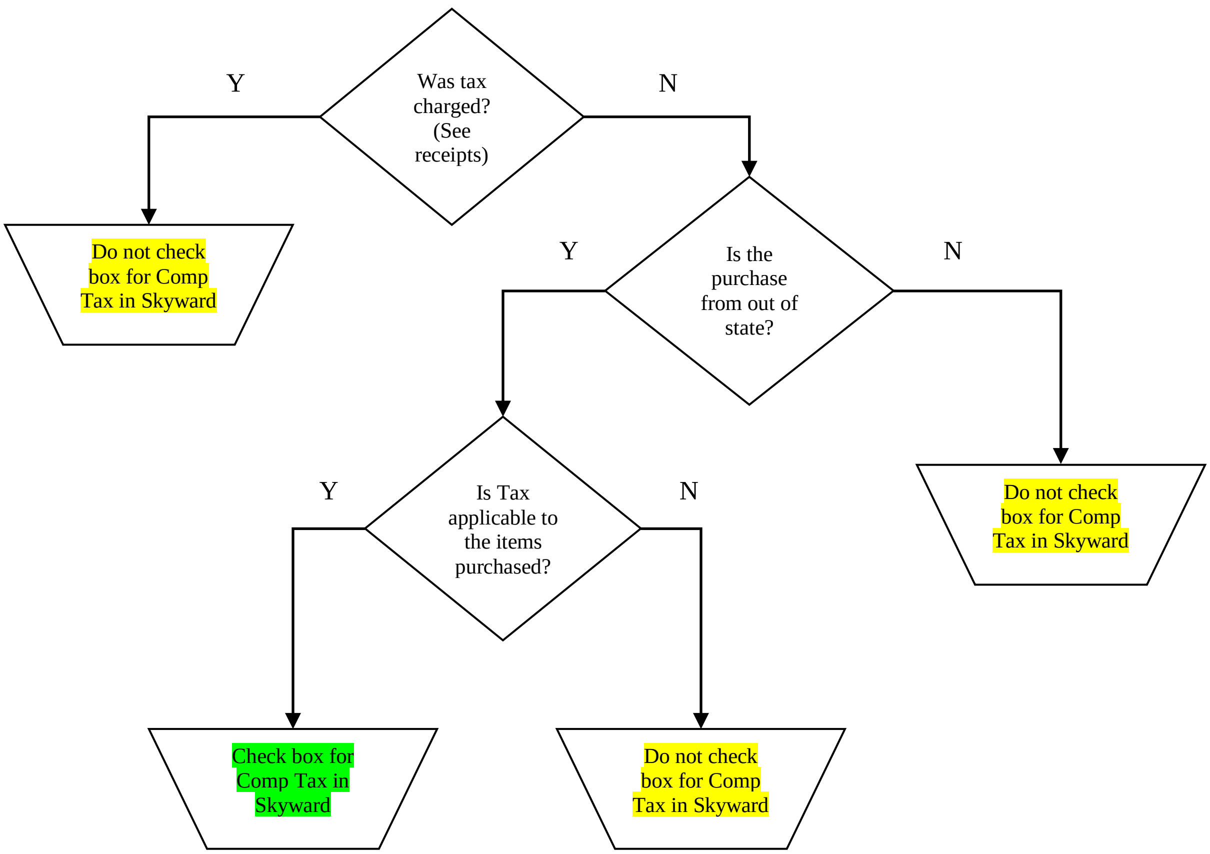
- ✓ This will again bring you back to the “Credit Card Transaction Maintenance” screen that should look complete at this point. If you have elected to scan in receipts and add as attachments, use the “Attachments” button to do this now. Once complete or if you’ve elected not to include attachments, click the button “Submit for Approval”.



- ✓ Once the transaction is submitted for approval, you will either still be able to see it in your queue with the status of “WFH”. If you do not have a second level approver within the system, the transaction will not have to be submitted for approval, but instead can just be saved. The status will change to APP.

- ✓ At the end of each statement period, if you have elected to not have a second level approver in the system, please print a report for each card’s transactions

<u>Is tax owed?</u> – It is necessary for a card holder to indicate if sales tax was not charged by the vendor. Please utilize the chart below for assistance in determining if tax needs to be charged.

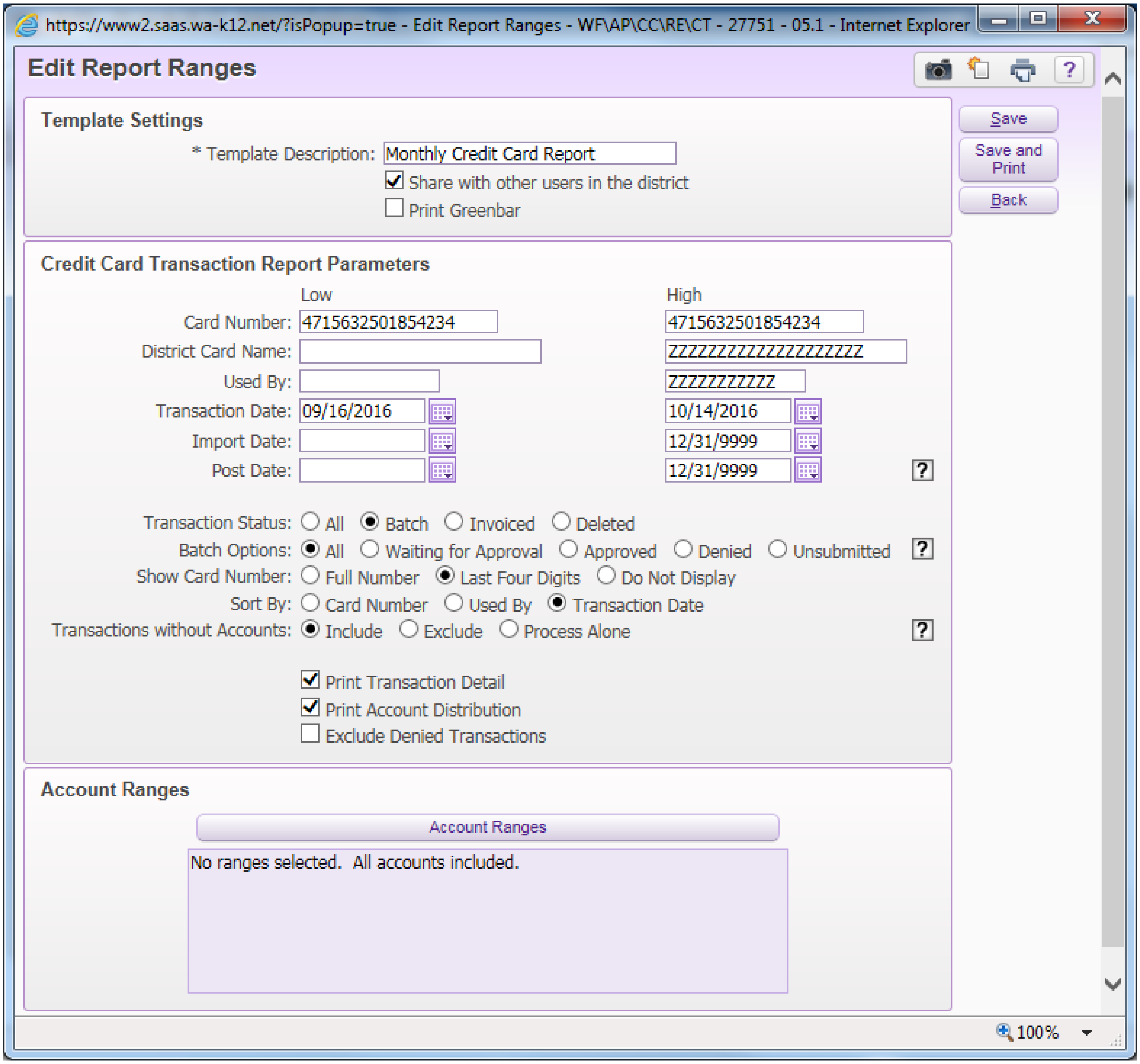


<u>Printing Transaction Reports</u>

At the end of each statement period, if you have elected to not have a second level approver in the system, you will need to print out Skyward transaction reports. These reports can either be printed using the credit card coordinator's name ID in the "Used By" field, or by printing a separate report for each card. Reports can be created and printed from AP→Credit Cards→Reports→Credit Card Transaction Report.

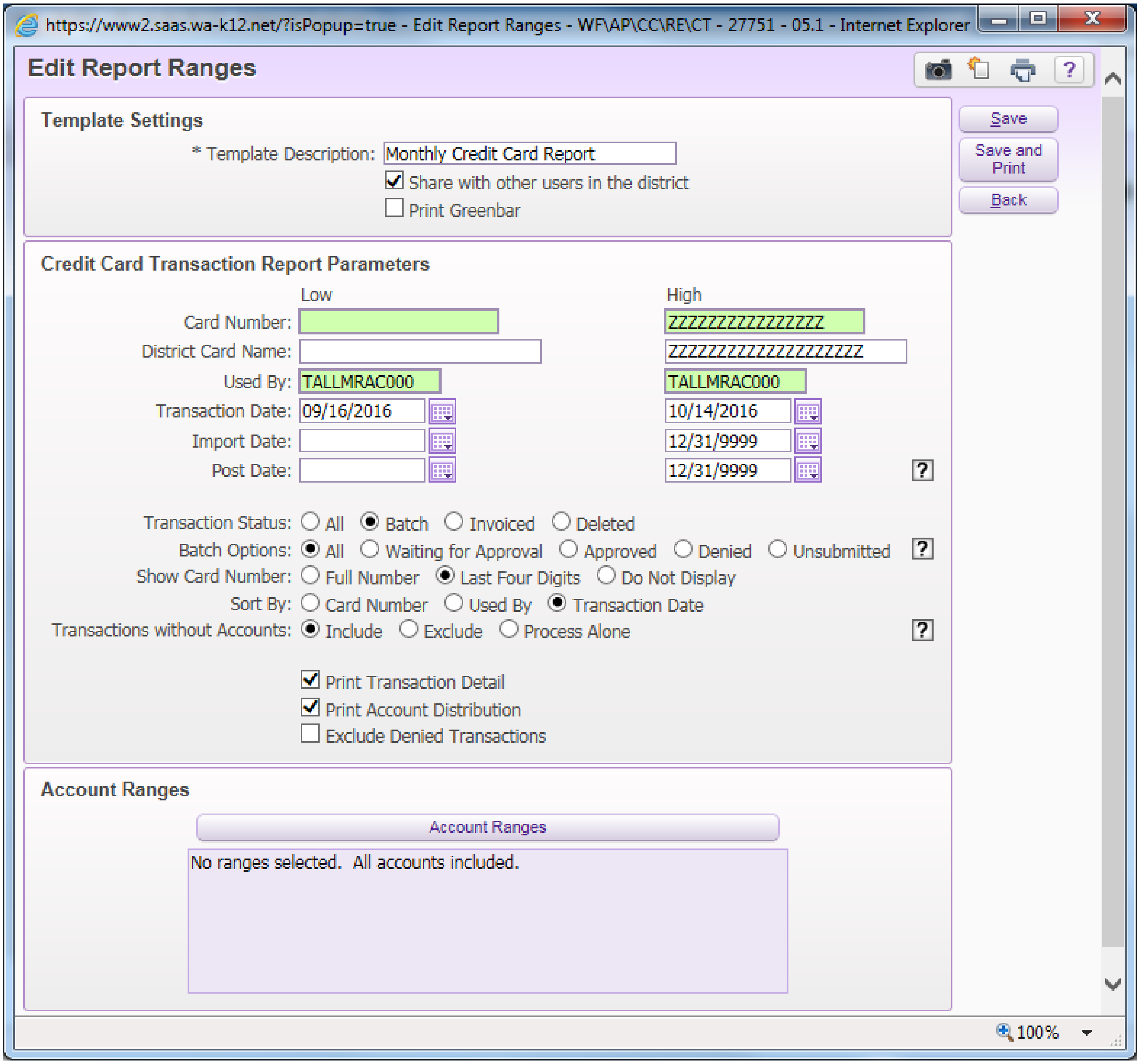
An example of what each of those reports looks like is included below.

<u>Individual Report for each Card based on the number:</u>



Questions? Contact: Business Manager ~ Ext.7081 or Purchasing Technician Ext. 7023

<u>Credit card report for all cards using the “Used By” field:</u>



Questions? Contact: Business Manager ~ Ext.7081 or Purchasing Technician Ext. 7023

Check off list of actions to be accomplished

□ Review Transactions. Look for:
- Does amount of charge match receipt
- Note provided describing transaction
- Does Tax need to be paid?

□ Approve Transaction. Look for:
- Account codes entered correctly
- Are all receipts received?
- Is the documentation on the receipts?

□ Run Report. Look for:
- Do you have Budget Administrators Approval and signature?

□ Compile Documentation. Look for:
- All receipts received
- All requisitions been signed and approved (ok to pay), and dated
- Copy of invoice sent to Budget Administrator of another department if using their account code