



# NEBO SCHOOL DISTRICT ADMINISTRATIVE DIRECTIVE

Directive  
No.  
3.2

**SECTION:** FINANCE  
**TITLE:** PURCHASING CARD PROCEDURES  
**DATE:** NOVEMBER 2014

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### 1. SUMMARY

Nebo School District (District) will provide purchasing cards to approved employees to be used for purchases that are within dollar limits established for cardholders. The purchasing cards are primarily intended to provide flexibility to employees and increase the ease in which they can make necessary small-dollar purchases. In all cases, purchasers will strictly follow District purchasing policies and guidelines and all transactions are to be reconciled, reviewed, and accounted for on a monthly basis.

### 2. DEFINITIONS

- 2.1. **“Submission Packet”** is comprised of a completed Monthly Checklist Form, cardholder monthly statement, and all receipts and other documentation to support purchases.
- 2.2. **“Card Administration Website”** refers to the website maintained by US Bank which allows District purchasing card administrators to view transactions, manage accounts, and extract data.

### 3. ELIGIBILITY

To be eligible to use a purchasing card, an employee must (1) be employed in a position having a reasonable need to make purchases using District or school funds, (2) complete a Purchasing Card Application and Cardholder Agreement (Application), (3) obtain the approval of his or her supervisor as indicated by the supervisor’s signature on the Application, (4) deliver the Application to the Operations Department, and (5) be approved by the Operations Department.

The Operations Department will (1) review all Applications for completeness including the proper signatures, (2) review all Applications for appropriateness including default account to be used for purchases and requested limits, (3) enter the information into the Card Administration Website, and (4) file the Application in a manner that allows ready and easy retrieval.

Issued purchasing cards will be received by the Operations Department and the Operations Department will deliver the purchasing card to the cardholder along with a copy of this Directive

document and all applicable forms and training materials. The cardholder will then take necessary steps to activate the card before use.

**4. USE**

For most cardholders, the purchasing card is to be used for small-dollar purchases that do not require bids and is intended to ease the process of making necessary acquisitions. In all cases, District purchasing policies and guidelines are to be strictly followed. If the purchasing card is used for a purchase that requires bids, the Bid Record Form must be completed and submitted as part of the Submission Packet.

Cardholders are encouraged to make sales tax-exempt purchases when appropriate. If a purchase is eligible for an exempt of sales tax but sales tax is charged to and paid by a cardholder, the cardholder is expected to seek a refund of the tax inappropriately charged. The District Finance Department will not pursue refunds of taxes charged on eligible tax-exempt purchases.

**5. MONTHLY CARDHOLDER PROCESS**

Within 7 (seven) days of the statement closing date, which is typically the 10<sup>th</sup> day of each month, the cardholder will (1) access the bank website (as more fully described in Exhibit A -- Purchasing Card Website Navigation) to obtain the cardholder statement and to make changes (if any) to the account that a particular transaction will be posted to, (2) complete in entirety the Monthly Checklist Form (Checklist), (3) reconcile all transactions to detailed receipts and document the purpose of each purchase and the accounting code charged, (4) compile a Submission Packet, and (5) deliver the Submission Packet by the 20<sup>th</sup> day of the month that includes the statement closing date to appropriate personnel for approval as follows:

| <u>Cardholder</u>        | <u>Approval Performed by</u> | <u>Review Performed by</u> | <u>Documentation Storage Location</u> |
|--------------------------|------------------------------|----------------------------|---------------------------------------|
| Principal                | Principal                    | School Secretary           | School Finance Office                 |
| Assistant Principal      | Principal                    | School Secretary           | School Finance Office                 |
| School Secretary         | Principal                    | Principal                  | School Finance Office                 |
| Athletic Director        | Principal                    | School Secretary           | School Finance Office                 |
| School Checkout Card     | Principal                    | School Secretary           | School Finance Office                 |
| Regular Teacher          | Principal                    | School Secretary           | School Finance Office                 |
| CTE Teacher              | CTE Director                 | CTE Secretary              | CTE Office                            |
| Special Ed Teacher       | Special Ed Director          | District Accountant        | District Finance Office               |
| Superintendent           | Superintendent               | District Accountant        | District Finance Office               |
| Assistant Superintendent | Superintendent               | District Accountant        | District Finance Office               |
| Business Administrator   | Superintendent               | District Accountant        | District Finance Office               |
| Department Director      | Superintendent               | District Accountant        | District Finance Office               |
| Department Supervisor    | Department Director          | District Accountant        | District Finance Office               |
| Department Employee      | Department Supervisor        | District Accountant        | District Finance Office               |
| Others not defined above | Supervisor                   | District Accountant        | District Finance Office               |

**6. MONTHLY APPROVAL PROCESS**

The approver of the cardholder monthly transactions will (1) ensure Submission Packets are received from all cardholders who made purchases during a particular month, (2) review all transactions for appropriateness, (3) discuss any compliance issues observed or other concerns with the cardholder, and (4) submit approved Submission Packets by the 25<sup>th</sup> day of the month that includes the statement closing date to appropriate personnel for review as shown in 5 above.

## **7. MONTHLY REVIEW PROCESS**

The reviewer of the cardholder monthly transactions will (1) ensure Submission Packets are received from all cardholders who made purchases during a particular month, (2) review by the last day of the month that includes the statement closing date all Monthly Checklist Forms, receipts, and other documentation submitted to ensure purchases are appropriate and to determine if submitted documentation is sufficient to support the purchase, and (3) ensure any purchases involving equipment to be inventoried properly follow Nebo School District Policy #DID, Asset Inventory.

When reviewing receipts, reviewers should ensure the account charged and purpose of each purchase is documented. Ideally, an original receipt (not a copy or reproduction) should be provided for all purchases. If a receipt is not available, purchases should be accompanied by the Missing Receipt Form. All purchases involving food or meals must be accompanied by a completed Meal Record Form, and all purchases requiring bids must be accompanied by a Bid Record Form.

Sales tax charges for in-state lodging may be refundable by the Utah State Tax Commission if the purpose of the lodging is for an essential government function and meets certain other requirements. For any in-state lodging charged to a purchasing card, the monthly reviewer should make an effort to obtain a refund of the lodging-related sales tax by providing a copy of both the lodging invoice and cardholder monthly statement to the District Finance Department or, in the case of cardholders employed in high schools, by coordinating with the high school finance secretary. The District Finance Department or high school finance secretary will attempt to obtain a refund of the lodging-related sales tax. Any tax refund amounts received will be credited back to the accounts where the lodging-related sales tax was originally charged.

If compliance issues are discovered (documents not submitted or after deadline, insufficient documentation for purchase, inappropriate purchases, etc.), the reviewer will (1) complete the Corrective Action Form and (2) route the Corrective Action Form to the Director of Operations for approval of actions to be taken. Upon approval, the Operations Department will (1) take appropriate action on the purchasing card (inactivate, reduce limit, etc.), (2), route a copy of the Corrective Action Form to the cardholder and the cardholder's supervisor, (3) route a copy of the Corrective Action Form to the Human Resources Department if potential employment related disciplinary actions exist, and (4), file the Corrective Action Form in a manner that allows ready and easy retrieval.

## **8. DOCUMENTATION RETENTION**

Monthly Submission Packets will be kept secure for at least five (5) years and filed in a manner that allows for ready and easy retrieval in locations as shown in 5 above.

Completed Applications and Cardholder Agreement Forms, Change Request Forms, and Corrective Action Forms will be kept secure by the Operations Department for as long as the cardholder is a District employee plus five (5) years and filed in a manner that allows for ready and easy retrieval.

## **9. DEFAULT ACCOUNTS AND DISTRICT REIMBURSEMENT**

Purchasing card charges for most school employees will default to 10-LOC-FY-1044-1000-611 where LOC indicates location number and FY indicates fiscal year. Program 1044 will only be used for purchasing card transactions. All purchasing card charges for non-school employees will default to their specific department supply account. It is the responsibility of cardholders to change accounts as needed in the bank website (as more fully described in Exhibit A -- Purchasing Card Website Navigation) prior to the cycle closing date if a particular transaction should be charged to a different account.

The District Finance Department will expect a payment from schools for the total amount charged to Program 1044 within one month of the posting of the transactions, which is typically the last day of each month. Payments received will be credited to the 10-LOC-FY-1044-1000-611 account. The District Finance Department will expect Program 1044 to be at a \$0 balance by the end of each fiscal year.

## **10. ACCOUNT CHANGES AND TERMINATIONS**

Requests for purchasing card changes and terminations should be made using the Change Request Form. The cardholder or cardholder's supervisor requesting the change will (1) complete a Change Request Form, (2) obtain the approval of the cardholder's supervisor as indicated by the supervisor's signature on the Change Request Form, (3) deliver the Change Request Form to the Operations Department, and (4) have the change approved (or not) by the Operations Department.

The Operations Department will (1) review all Change Request Forms, (2) enter the change into the Card Administration Website if the change is approved, (3) notify the cardholder supervisor if a change request is denied, and (4) file the Change Request Form in a manner that allows ready and easy retrieval.

## **11. MONTHLY DISTRICT FINANCE DEPARTMENT PROCESS**

Near the end of each month the District Finance Department will (1) download the transactions from the Card Administration Website and (2) upload and post the transactions into the District accounting system. The District Finance Department will also prepare a monthly report which will include a detailed listing of all purchases by cardholder name and provide the report to the District Finance/Audit Committee and District Internal Auditor.

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### **EXHIBITS**

Exhibit A -- Purchasing Card Website Navigation

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### **REFERENCES**

Nebo School District Policy #DID, Asset Inventory

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### **FORMS**

Purchasing Card Application and Cardholder Agreement  
Purchasing Card Change Request Form  
Purchasing Card Monthly Checklist  
Purchasing Card Corrective Action Form  
Purchasing Card Missing Receipt Form  
Purchasing Card Meal Record Form  
Purchasing Card Bid Record Form

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## EXHIBIT A – PURCHASING CARD WEBSITE NAVIGATION

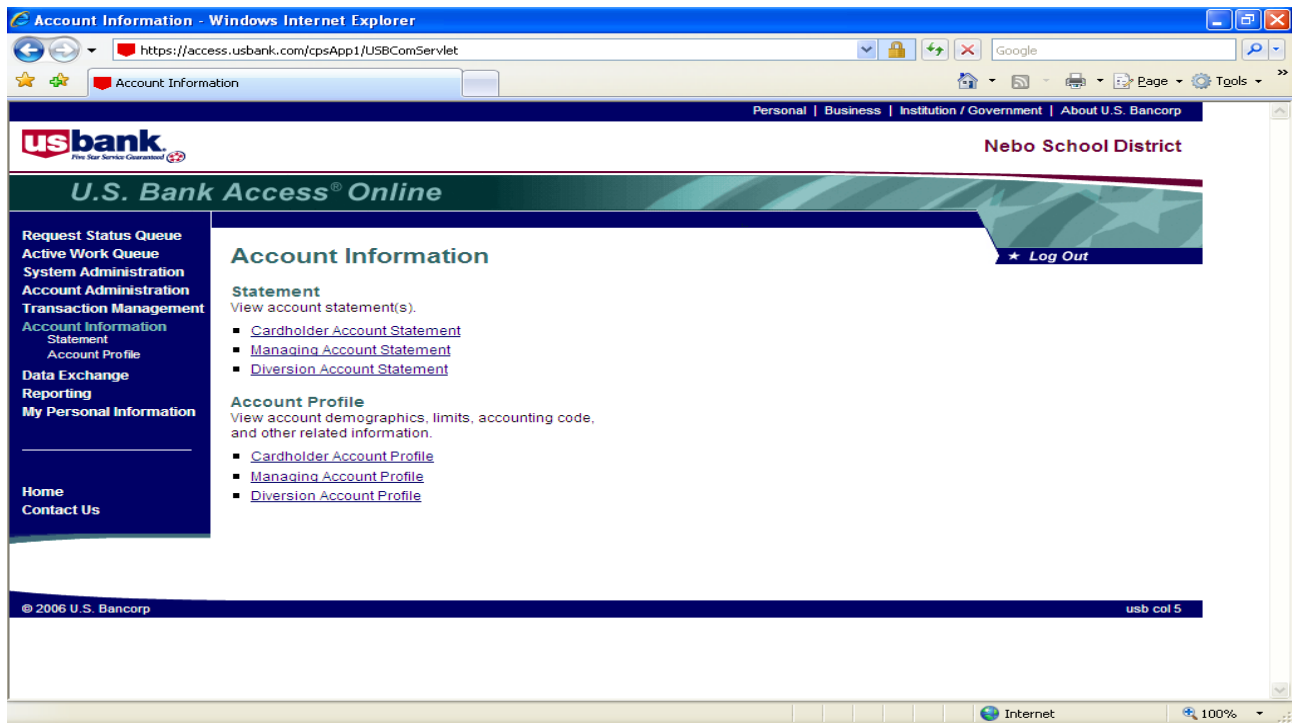
### A.1. Access

To access the purchasing card website, cardholders should log in to <https://access.usbank.com/>, enter NEBOSD as the organization short name, enter user ID and password, and click Login. User IDs and passwords are established when cards are first activated for use.

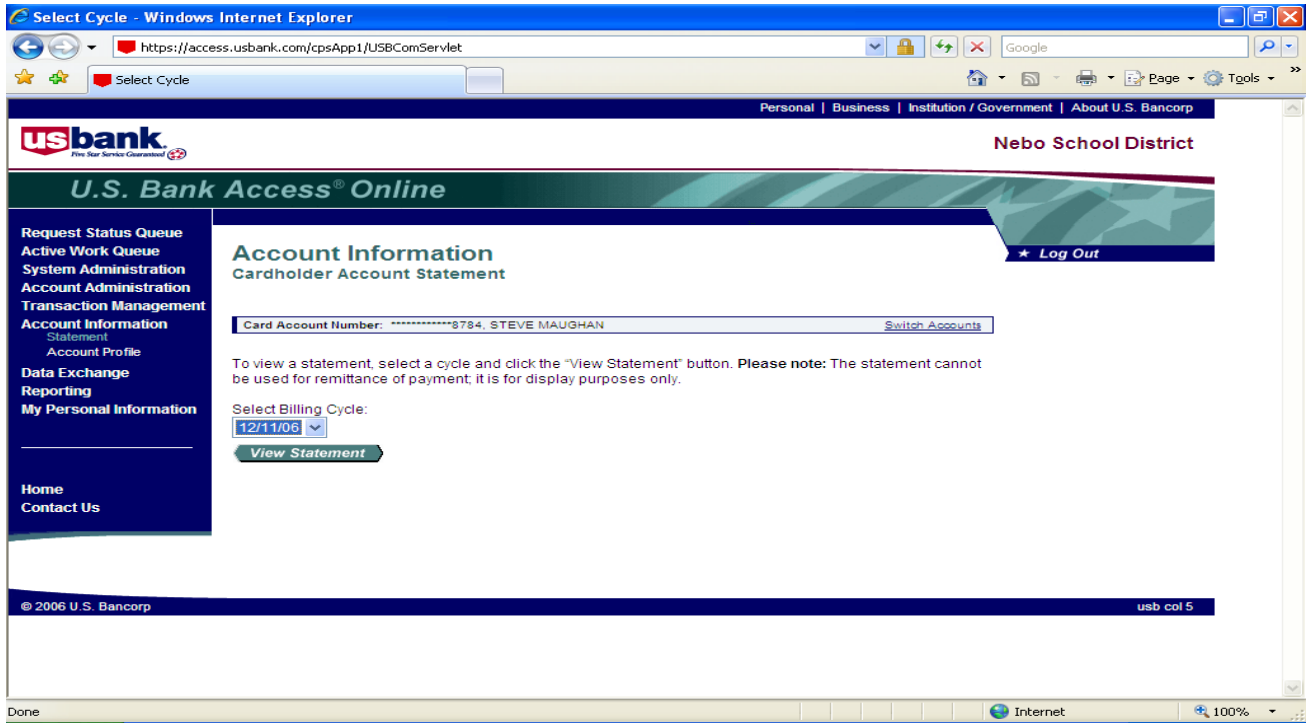
### A.2. Cardholder Statement

To view and print a cardholder statement, follow the steps shown below after accessing the purchasing card website:

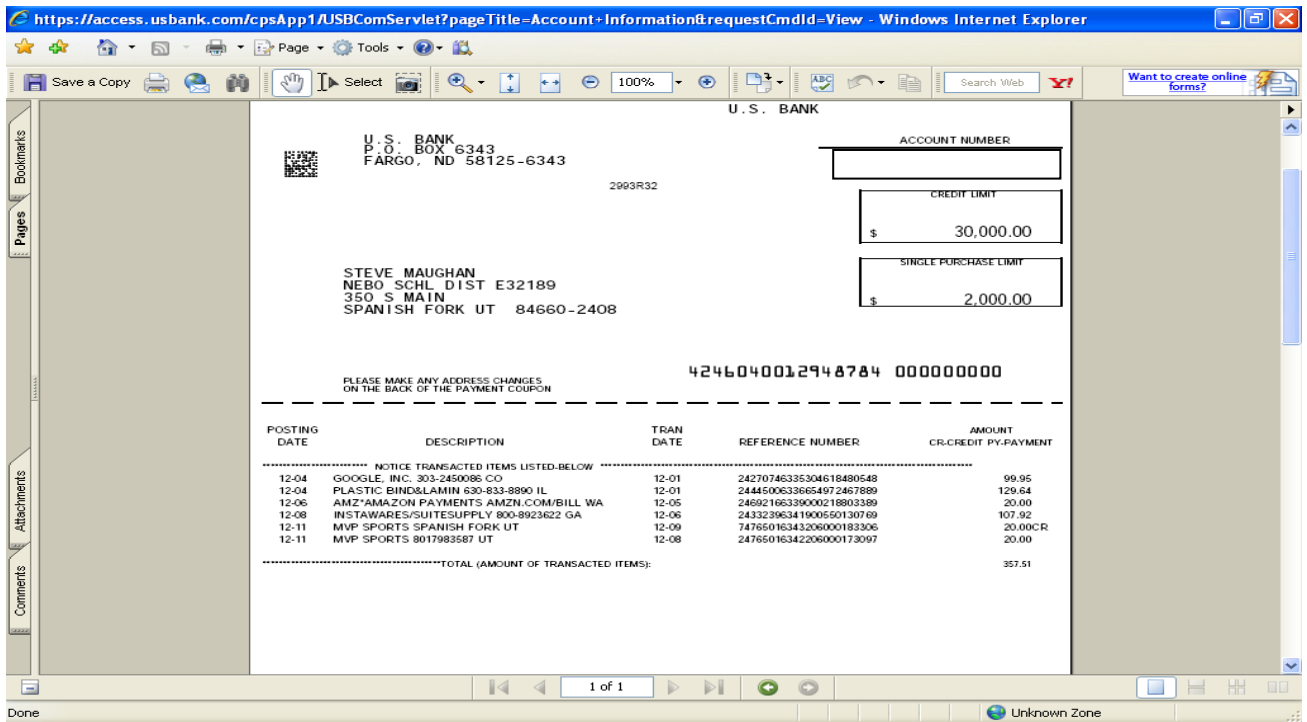
**A.2.1.** Select Account Information and then click on Cardholder Account Statement.



A.2.2 Select the desired statement closing date and click View Statement.



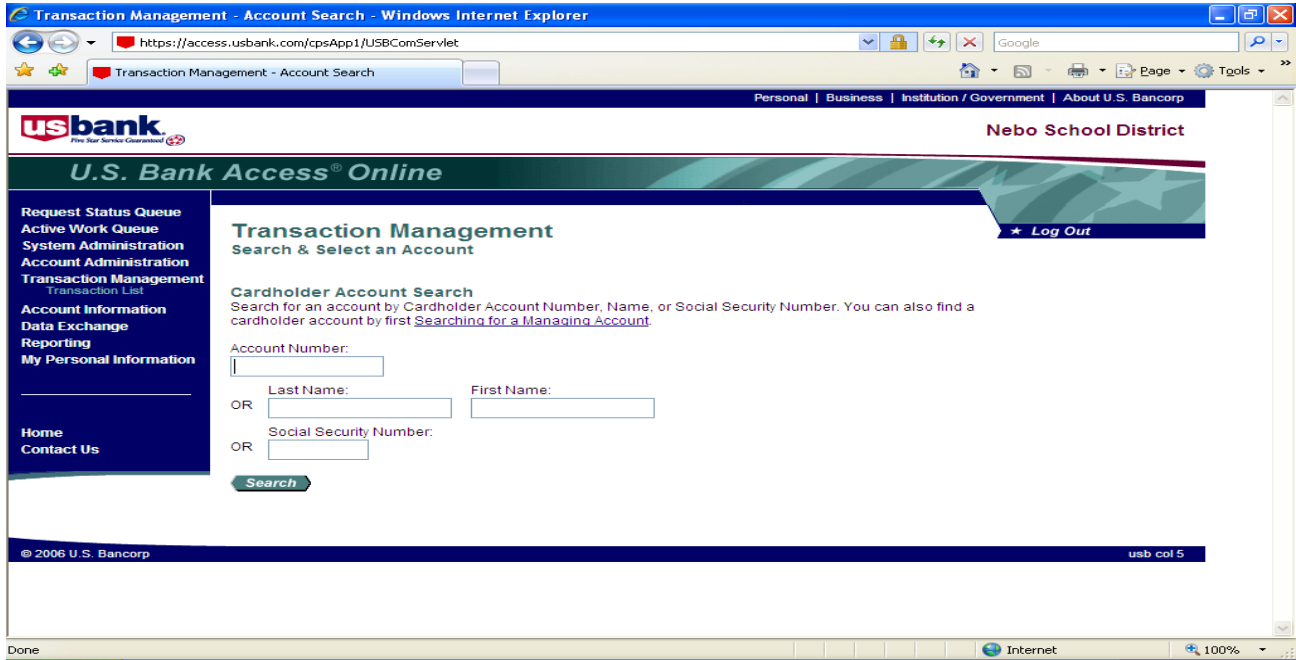
A.2.3 Click on the print icon to print a copy of the statement.



### A.3 Account Code Modifications by Transaction

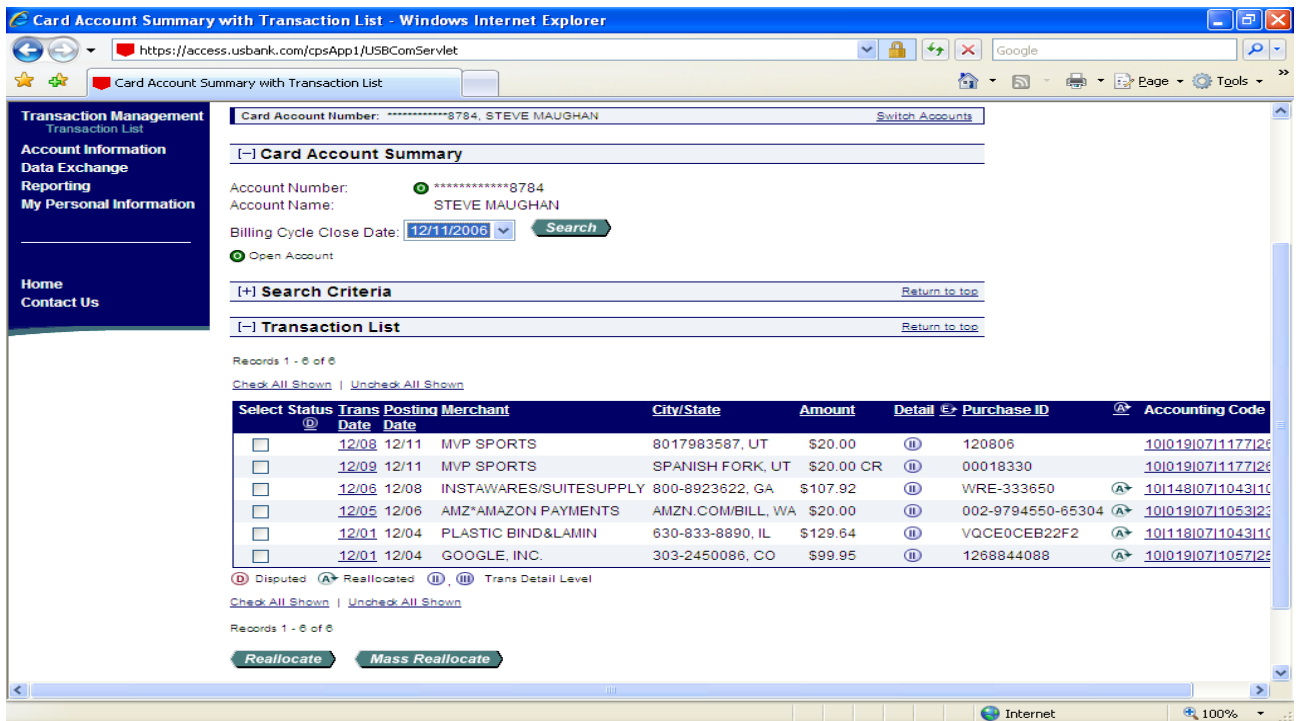
To modify the account that a particular transaction will be posted to, do the following:

- A.3.1 Select Transaction Management, enter account number or search criteria, and click Search.



- A.3.2 Select the billing cycle close date and click Search. A list of transactions will appear.

- A.3.3 Select the transactions that need accounting code changes and click Reallocate.



A.3.4 Change account segments as needed and click Save Allocations.

The screenshot displays the 'Transaction Management - Reallocation Worksheet' page in a Windows Internet Explorer browser. The page title is 'Transaction Management - Reallocation Worksheet'. The URL is 'https://access.usbank.com/cpsApp1/USBComServlet'. The page features the U.S. Bank logo and the user name 'Nebo School District'. The main content area is titled 'Transaction Management Reallocation Worksheet' and includes a 'Log Out' link. Below the title, there is a 'Card Account Number' field showing '\*\*\*\*\*8784, STEVE MAUGHAN' and a 'Switch Accounts' link. The instructions state: 'Reallocate transactions by changing the accounting information to allocate the amount to a different cost center. To allocate to additional accounting codes, click the "Add Alloc" link. After modifying the allocations, click the "Save Allocations" button to save changes. Exclude transactions from the save by selecting "Remove Transaction(s)" checkboxes and optionally clicking the "Remove Transaction(s)" button.' A note indicates '\* = required'. The table below shows a single transaction with the following data:

| Remove Trans             | Tran Date  | Merchant           | Amount   | Alloc %                   | Accounting Code - Segment Name (Length) |              |          |             |        |
|--------------------------|------------|--------------------|----------|---------------------------|-----------------------------------------|--------------|----------|-------------|--------|
|                          |            |                    |          |                           | FUND (2)                                | LOCATION (3) | YEAR (2) | PROGRAM (4) | FUNCTI |
| <input type="checkbox"/> | 12/01/2006 | PLASTIC BIND&LAMIN | \$129.64 | <a href="#">Add Alloc</a> | 10                                      | 118          | 07       | 1043        | 1000   |

Below the table, there is a search bar, a 'Remove Trans' button, a 'Save Allocations' button, and a '<< Back to Transaction List' link. The browser status bar at the bottom shows 'Done' and 'Internet'.







NEBO SCHOOL DISTRICT  
PURCHASING CARD CHANGE  
REQUEST FORM

Please print the following information:

\_\_\_\_\_  
Name on Card

\_\_\_\_\_  
School / Department Name

\_\_\_\_\_  
Title or Position

\_\_\_\_\_  
Purchasing Card Number

I, the undersigned, hereby request changes to my purchasing card as indicated below. I understand and agree to abide by the terms and conditions relative to holding and using such card included in my application and cardholder agreement.

- Change per transaction limitation to \$ \_\_\_\_\_
- Temporarily change per transaction limitation to \$ \_\_\_\_\_ from \_\_\_\_ / \_\_\_\_ / \_\_\_\_ to \_\_\_\_ / \_\_\_\_ / \_\_\_\_
- Change per month limitation to \$ \_\_\_\_\_
- Temporarily change per month limitation to \$ \_\_\_\_\_ from \_\_\_\_ / \_\_\_\_ / \_\_\_\_ to \_\_\_\_ / \_\_\_\_ / \_\_\_\_
- Change default account number to \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_
- Terminate purchasing card effective \_\_\_\_ / \_\_\_\_ / \_\_\_\_

\_\_\_\_\_  
Cardholder Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Supervisor Signature

\_\_\_\_\_  
Date

OPERATIONS DEPARTMENT USE ONLY

- Changes approved
- Changes denied and communication made with cardholder and/or supervisor
- Changes entered into card administration system

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Date



NEBO SCHOOL DISTRICT  
PURCHASING CARD MONTHLY  
CHECKLIST

Please print the following information:

\_\_\_\_\_  
Name on Card

\_\_\_\_\_  
Purchasing Card Number

\_\_\_\_\_  
Cycle Ending Date

\$ \_\_\_\_\_ Total amount expended this cycle

\_\_\_\_\_ Total number of transactions this cycle

\_\_\_\_\_ Total number of attached receipts

\_\_\_\_\_ Total number of Missing Receipt Forms used this cycle

\$ \_\_\_\_\_ Total Utah sales tax included in expenditures

- Review all purchases listed on your monthly statement to ensure they are accurate. If there is an incorrect transaction on your statement, please contact the vendor first to try to resolve the problem. If this proves unsuccessful, contact U.S. Bank at 1-800-344-5696.
- Log in to the bank website within seven (7) days of the cycle end date to make any necessary changes to expenditure account codes.
- Match up all transactions listed on your monthly statement with detailed receipts and other supporting documentation. If you do not have appropriate supporting documentation for a transaction, please complete a Missing Receipt Form. The Missing Receipt Form should be used minimally and does not take the place of an actual receipt.
- For all purchases, please document the purpose for the expenditure to justify the use of public funds and please document the accounting code to be charged.
- For all purchases that involved food, please complete the Meal Record Form and document those who attended along with the purpose.
- For all purchases that involved equipment or assets to be inventoried, please ensure a Nebo approved asset tag is affixed to the purchased item and please ensure the item is documented in the Nebo Fixed Asset tracking software.
- For all purchases that required bids, please complete the Bid Record Form.
- Compile the following information into a submission packet in the following order:
  - This Checklist
  - Monthly statement
  - All original receipts and other supporting documentation (such as Missing Receipt Forms, Meal Record Forms, and Bid Record Forms) stapled together in the transaction order shown on your statement.
- Make copies of all documents for your files.
- Check off each item on this checklist that you are compliant with and sign this checklist
- Send completed submission packet to your supervisor by the 20<sup>th</sup> day of the month following the cycle end date.

I have reviewed all items reported on the monthly purchasing card statement and assume responsibility for its accuracy. The information on this checklist is correct and I have resolved any problems with vendors and / or U.S. Bank. I certify that to the best of my knowledge, Nebo School District purchasing policies have been strictly adhered to for expenditures made with this card.

\_\_\_\_\_  
Cardholder Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Approver Signature

\_\_\_\_\_  
Date

REVIEWER USE ONLY

Date received: \_\_\_\_\_

Compliance issues noted

Corrective Action Form completed (if necessary)

\_\_\_\_\_  
Reviewer Signature

\_\_\_\_\_  
Date



**NEBO SCHOOL DISTRICT  
PURCHASING CARD CORRECTIVE  
ACTION FORM**

Please print the following information:

\_\_\_\_\_  
Last Name

\_\_\_\_\_  
First Name

\_\_\_\_\_  
Initial

\_\_\_\_\_  
School / Department Name

\_\_\_\_\_  
Cycle Ending Date

\_\_\_\_\_  
Purchasing Card Number

The following noncompliance issues were noted during review of expenditures for the cycle ending date shown above:

- Checklist not completed or not accurate
- Checklist not received by approver or reviewer by due date
- Exceeded the transaction or monthly card expenditures limits
- Inappropriate expenditure(s)
- Lack of receipts or other supporting documentation for expenditure(s)
- Failure to comply with review requests or requirements
- Allowing others to use card or act as agent for purchases
- Failure to report a lost or stolen card
- Failure to initiate corrective action on erroneous or fraudulent charges
- Other: \_\_\_\_\_

Due to the above findings, the following actions are recommended:

- Cardholder placed on probationary status. If violations noted above are not corrected within thirty (30) days, purchasing card privileges may be terminated.
- Termination of purchasing card privileges
- Refer for employment related disciplinary action

\_\_\_\_\_  
Reviewer Signature

\_\_\_\_\_  
Date

**OPERATIONS DEPARTMENT USE ONLY**

- Above actions approved and taken
- Above actions denied and communication made with recommending reviewer
- Copy given to cardholder
- Copy given to cardholder supervisor
- Copy given to Human Resources Department (if necessary)

\_\_\_\_\_  
Operations Director Signature

\_\_\_\_\_  
Date





NEBO SCHOOL DISTRICT  
PURCHASING CARD MEAL  
RECORD FORM

Please print the following information:

\_\_\_\_\_  
Last Name First Name Initial

\_\_\_\_\_  
School / Department Name Cycle Ending Date

\_\_\_\_\_  
Purchasing Card Number

Date of Purchase: \_\_\_\_\_

Vendor: \_\_\_\_\_

Amount: \$ \_\_\_\_\_

Individuals in Attendance: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Purpose: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



**NEBO SCHOOL DISTRICT  
PURCHASING CARD  
BID RECORD FORM**

Please print the following information:

\_\_\_\_\_  
Last Name

\_\_\_\_\_  
First Name

\_\_\_\_\_  
Initial

\_\_\_\_\_  
School / Department Name

\_\_\_\_\_  
Cycle Ending Date

\_\_\_\_\_  
Purchasing Card Number

Date of Purchase: \_\_\_\_\_

Vendor: \_\_\_\_\_

Amount: \$ \_\_\_\_\_

Description of Item(s): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Bids Obtained:

Vendor: \_\_\_\_\_

Contact Name: \_\_\_\_\_

Phone: \_\_\_\_\_

Amount: \$ \_\_\_\_\_

Date of Bid: \_\_\_\_\_

Vendor: \_\_\_\_\_

Contact Name: \_\_\_\_\_

Phone: \_\_\_\_\_

Amount: \$ \_\_\_\_\_

Date of Bid: \_\_\_\_\_