

Policy Information

Series 4000 - Non-Instructional/Business Operation

Regulations (3) Purchasing: Purchase Card Usage

Policy # 4310, 2.4

POLICY

2023 R3-4310

Administrative Regulations
Non-Instructional/Business
Operations

SUBJECT: PURCHASING REGULATIONS #3: PURCHASE CARD USAGE

To improve the efficiency of the procurement of certain goods and services, the Board of Education has authorized the use of BOCES Purchase Cards. It is an efficient means to acquire goods and services for the selected purposes.

Purchase Card Program Overview

- ♦ Purchase Cards will be issued to Genesee Valley BOCES employees only.
- ♦ The employee's name must be embossed on the card.
- ♦ Purchase Cards are not transferable between individuals or departments.
- ♦ Employee's Program Manager must approve the request for a card.
- ♦ Cardholders make purchases (using established guidelines) and receive monthly Cardholder statements from the issuing financial institution.
- ♦ Cardholder matches receipts to their monthly statement and forwards according to department procedures for payment.
- ♦ The financial institution will send a consolidated statement to Genesee Valley BOCES to the attention of Accounts Payable at the end of each monthly billing cycle which is 25th of each month.

Summary of Cardholder Responsibilities

The Cardholder must use the Purchase Card for legitimate business purposes only. Misuse of the card will subject Cardholder to disciplinary action in accordance with Genesee Valley BOCES Policies and Procedures relating to disciplinary action. The Cardholder must:

- ♦ Ensure the Purchase Card is used for legitimate business purposes only.
- ♦ Maintain the Purchase Card in a secure location at all times.
- ♦ Not allow other individuals to use their Purchase Card.

- ♦ No charges will be allowed for alcohol.
- ♦ Adhere to the purchase limits and restrictions of the Purchase Card.
- ♦ Obtain and reconcile all sales slips, register receipts, etc. to financial institution's statement and forward same per department procedures for payment.
- ♦ Attempt to resolve disputes or billing errors directly with the vendor and notify issuing financial institution if the dispute or billing error is not satisfactorily resolved by faxing the issuing financial institution the required Dispute Form (Attachment 1). A copy of the dispute form is also to be forwarded to Accounts Payable.
- ♦ Ensure that an appropriate credit for the reported disputed item or billing error appears on a subsequent Cardholder statement.
- ♦ Not accept cash in lieu of a credit to the Purchasing Card account.
- ♦ Immediately report a lost or stolen card to the issuing financial institution with the number provided.
- ♦ Immediately notify Purchasing Agent of a lost or stolen Purchase Card at the first opportunity during normal business hours.
- ♦ Return the Purchase Card to your Program Manager upon terminating employment with the Genesee Valley BOCES or transferring to another department within the organization.

Cardholder Eligibility

Criteria to receive a Purchase Card are as follows:

- ♦ Applicant must be an employee of the Genesee Valley BOCES.
- ♦ Applicant's request for a Purchase Card must be approved by his/her Program Manager.
- ♦ Employee must attend a training session before receiving their Purchase Card.
- ♦ Each individual Cardholder must sign a Cardholder Agreement in the presence of the Purchase Card Administrator prior to receiving their card.

Cardholder Liability

The Purchase Card is a corporate charge card which will not affect the Cardholder's personal credit; however, it is the Cardholder's responsibility to ensure that the card is used within stated guidelines of the Genesee Valley BOCES Policies and Procedures relating to the expenditure of funds. Failure to comply with program guidelines may result in permanent revocation of the card, notification of the situation to management, and further disciplinary measures.

Cardholder Termination

The Purchase Card Administrator is required to close an account if a Cardholder: (a) transfers to a different department, (b) moves to a new job in which a Purchase Card is not required; (c) terminates employment or

(d) for any of the following reasons which will also subject Cardholder to disciplinary action in accordance with Genesee Valley BOCES Policies and Procedures relating to disciplinary action and termination for cause:

- ♦ The Purchase Card is used for personal or unauthorized purposes.
- ♦ The Purchase Card is used to purchase alcoholic beverages or any substance, material, or service which violates policy, law or regulation pertaining to the Organization.
- ♦ The Cardholder allows the card to be used by another individual.
- ♦ The Cardholder splits a purchase to circumvent the limitations of the Purchase Card.
- ♦ The Cardholder uses another Cardholder's card to circumvent the purchase limit assigned to either Cardholder or the limitations of the Purchase Card.
- ♦ The Cardholder fails to provide Accounts Payable with receipts on a monthly basis.
- ♦ The Cardholder fails to provide, when requested, information about any specific purchase.
- ♦ The Cardholder does not adhere to all of the Genesee Valley BOCES Purchase Card policies and procedures.

Lost, Misplaced or Stolen Purchase Cards

Cardholders are required to immediately report any lost or stolen Purchase Card to the issuing financial institution. The Cardholder must also immediately notify Purchasing about the lost or stolen card at the first opportunity during normal business hours.

Spending Controls

The Purchase Card is to be used only for expenditures as designated by their program manager and within the dollar limit established by their program manager.

Purchasing Controls

Purchase Cards will be limited to make only those purchases aligned with their Departments needs and will be restricted through the use of Merchant Category Codes (MCC).

Purchase Card usage will be reviewed by the Program Manager for appropriate usage on a monthly basis when the Purchase Card statement is reconciled.

Examples for Purchase Card usage:

- a. Travel Expenses i.e. hotel expenses, registrations, meals, parking, gasoline
- b. Business Meals
- c. Emergency Purchases when an Emergency P.O. cannot be obtained due to circumstantial situations
- d. Internet and Phone purchase may be made depending upon the department requests, availability of vendor payment options, limited vendor availability, and/or proprietary purchases

Erroneous Declines

Should the Purchase Card be erroneously declined by a vendor, the Cardholder should immediately contact Purchasing for assistance. If the purchase is being made outside of normal business hours, the employee must find an alternate payment method or terminate the purchase and contact Purchasing during normal hours.

Credits

Vendors will issue all credits to the individual Purchase Card account for any item they have agreed to accept for return. This credit will appear on a subsequent statement. Under no circumstances should a Cardholder accept cash in lieu of a credit to the Purchase Card account.

Unresolved Disputes and Billing Errors

The Cardholder is responsible for contacting the vendor to resolve any disputed charges or billing errors. If the matter is not resolved with the vendor, the Cardholder should

- Contact the issuing financial institution directly for assistance.
- Mail or fax to the issuing financial institution a signed Dispute Form to document the reason for the dispute. Forward a copy of the dispute form to Accounts Payable.
- Contact the Purchase Card Administrator for assistance if an acceptable resolution is not obtained.
- The total amount billed by the issuing financial institution will be charged to the individual departmental accounts and credits for disputed transactions will be posted to individual departmental accounts when the credit appears on the issuing financial institution billing.

Security

Purchase Cards - Cardholders should always treat the Purchasing Card with at least the same level of care as one does their own personal credit cards. The card should be maintained in a secure location and the card account number should be carefully guarded. The only person entitled to use the card is the person whose name appears on the face of the card. The card may not be lent to another person for any reason.

Purchase Card Set Up, Maintenance and Closure

All contact with the issuing financial institution for Purchasing Card set up, maintenance and closure (except for reporting lost or stolen cards) will be handled by the Purchase Card Administrator who is located in the Purchasing Department.

Card Maintenance

- Program Managers are to make all requests for purchase card modifications to the Purchasing Card Administrator in writing.
- Purchase Card Administrator will submit all purchase card modification requests to the issuing financial institution.

Closure

Lost or Stolen Cards - Cardholder must immediately report the lost/stolen card to the issuing financial institution. Cardholder must also notify the Purchasing Department who will follow up with the issuing financial institution to ensure the account has been closed.

Terminated or Transferred Employees – The Program Administrator is to secure Purchase Cards from terminated employees and employees who transfer to another department. The Program Manager will

immediately notify the Purchase Card Administrator by phone of the termination or transfer. A request for closing the Cardholder account will be submitted to the issuing financial institution by the Purchase Card Administrator within 2 days of receiving the notification. All Purchase Cards are to be returned to the Purchase Card Administrator for disposal.

Board Approved
9/16/09
2/15/23

Adoption Date: 9/16/2009, Revised: 2/15/23
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