

# **CHARGE CARD POLICIES AND PROCEDURES**

POLICY AND PROCEDURES MANUAL

AUGUST 2012 revised  
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**1. PURPOSE**

The purpose of the charge card is to establish a more convenient, efficient, cost-effective method of purchase and payment for small dollar transactions and to provide schools with a simple method for direct purchases.

The program is designed to reduce the requisition process, paperwork and cycle time for small dollar items. Record keeping will be essential to ensure the success of this program. **The retention of receipts is essential for your protection and for audit purposes.**

**2. CONTROL FEATURES BUILT INTO THE PROGRAM**

Authorization controls are set in accordance with School District 5 charge card and accounting guidelines. These include:

- Monthly charge limit for individual cardholder (to be reviewed as spending history is accumulated)
- Business Office review of purchases and appropriate coding.

**Examples of where charge cards may be used:**

(these examples are general guidelines only. School restrictions may apply. Check with your principal or purchasing department for specific guidelines)

- Subscriptions, seminar/workshop registrations, motels and airline tickets as well as resource materials such as books, software, miscellaneous instructional materials that require prepayment.
- Catering or small dining services for in-house meetings.
- Instructional and operating supplies.
- Extracurricular travel including meals, motels and gasoline
- Computer software and resource materials
  - ALL technology equipment purchases must be review by IT department for compatibility prior to the purchase
- Maintenance and custodial incidental materials and supplies

**Examples of where charge cards may NOT be used:**

- Any supplies that can be acquired through Central Supply
- Personal purchases
- Cash advances or other financial services
- Any commitment requiring a purchasing agreement, contract or similar arrangement obligating the district to future services
- Services normally provided through Maintenance Department work order
- Temporary help

## General Information

- It is the responsibility of the principal/supervisor of all card holders to monitor the charge card usage.
- Each cardholder is responsible for the security of their charge card and the transactions made against it. The charge card is issued to each individual's name and it will be assumed that any purchases made against the card will have been made by that individual. Although the card is used in individual names, it is the property of the district and is only to be used for district purchases.
- The charge card administrator will control and maintain a central listing of all cardholders, limits, etc. Principals/supervisors may request reports for their respective location at any time.
- Remember, you are committing district funds each time you use the charge card. There is an obligation on the part of all cardholders to use the charge card responsibly.
- Improper use of the card is strictly prohibited. Such practices would be considered misappropriation of school district funds. This will result in disciplinary action up to and including termination of employment.

### 3. RECONCILIATION: RECORD RETENTION AND PAYMENT

The charge card program carries district liability, not individual liability. One master invoice each month for the entire district will be paid by the Accounts Payable department. Your activity, however, may be audited at any time by the charge card administrator.

It is required, however, that you retain all receipts for goods and services purchased. If your purchase via phone or internet, ask the supplier to email you a receipt or to include the receipt with the goods when the product is shipped to you. This receipt is the only original documentation specifying whether or not tax has been paid against the purchase.

The following controls are required for the reconciliation of all charge card transactions:

- The purchasing cardholder is required to maintain a log of all transactions, as per attached sample form.
- The cardholder must submit the log complete with receipts attached to the accounts payable clerk by the 15<sup>th</sup> of each month.
- The cardholder acknowledges the verification of all monthly transactions by signing the purchasing statement at the bottom. The log must also be signed by the cardholder's direct supervisor.
- The cardholder should retain a photocopy of the log and the receipts just in case the information gets lost in transit and for future reference.
- Responsibility rests with the charge card user and account code holder to ensure all transactions are accurate and legitimate. The Accounts Payable Clerk will contact the charge card user with regard to any discrepancies between the log and the statement

and the charge card holder will take appropriate action to resolve any problem.  
(dispute process)

- Payments will be made on the basis of the authorization of the budget code holder,
  - All transactions MUST have a budget code designated on the log
- The charge card administrator will be performing regular spot checks, to ensure compliance with the above.

## **5. CARD CANCELLATION OR PERSONNEL LEAVING**

The following are steps to be taken when a card is cancelled or an employee leaves the District:

- Principal/supervisor of cardholder is responsible for collecting and cutting the charge card in half immediately.
- Principal/supervisor of cardholder notifies the charge card administrator and returns the destroyed charge card immediately in a secure, sealed envelope marked "confidential" to the charge card administrator.
- The charge card administrator will cancel cards on line regardless of whether or not the card was returned.

## **6. CHARGE CARD DISPUTE PROCESS (when your records do not agree with your statement)**

The following steps should be taken for all purchasing card transactions in dispute:

Cardholder identifies a discrepancy, initiates dispute and follows through to resolution with the following:

- If you determine it is a bank error, do the following:
  - Identify discrepancy to First Interstate Bank.
  - Record on your personal transaction log in the comments section
  - Ensure correction appears on next cardholder statement
- If you determine it is a supplier error, do the following:
  - Contact the supplier involved to rectify billing problem. If the supplier agrees that an error has been made, he will credit your charge card account. Cash or check refunds are prohibited.
  - Highlight the transaction in question on your log as a reminder the item is pending resolution.
  - Ensure correction appears on next cardholder statement.
  - If your dispute is not resolved to your satisfaction, contact the charge card administrator.

(note: problems with suppliers such as late delivery are not considered to be disputed items and must be settled directly with the supplier)

The bank will investigate disputed items by a cardholder for up to thirty (30) days from a statement cutoff date.

## **7. TO OBTAIN A CARD OR CHANGE CARD INFORMATION**

The following are the steps taken to obtaining **new charge** card:

- i) The employee reviews and signs the "Charge Card Employee Agreement".
- ii) Forward the form to the charge card administrator for processing
- iii) Bank distributes purchasing card within seven (7) to ten (10) business days

## **8. KEY CONTACTS**

### **Charge Card Administrator**

Gwyn Andersen, Director of Business Services  
(406) 751-3412

Megan Griffiths, Accounts Payable Clerk  
(406) 751-3422

### **First Interstate Bank Customer Service**

1-800-962-3364 OR  
1-314-542-7111

### **A. LOST OR STOLEN CARDS**

The charge card is district property and should be secured just as you would secure your personal credit cards. If your card is stolen, notify First Interstate Bank by telephone immediately. The lost or stolen card will be cancelled and a replacement card will be ordered.

### **B. FOR MISCELLANEOUS INFORMATION**

Register your card at [www.mycardstatement.com](http://www.mycardstatement.com) to view statements and current charges to your card.

If further information is required please contact the charge card administrator for assistance.

### **C. MANAGING CARDHOLDER DECLINES**

Several factors may create a situation for a card decline. These include;

- Exceeded monthly credit limit
- Exceeded transaction limit (total dollars including applicable taxes)
- Card number entered incorrectly by merchant (telephone orders)
- "expiry date" entered incorrectly by merchant (telephone orders)
- exceeded corporate limit
- late payment of account

If a cardholder is declined, they/you may contact First Interstate Bank Customer Service.