

# Procedure Manual



## Purchasing Cards

August 2003

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## **FCS Purchasing Cards** (Visa Credit Cards)

### **Purchasing Card Types**

District Cards - \$500 per transaction limit, with no one item exceeding \$250.00; \$5,000 monthly limit.

The “FCS Card” is a Visa Purchasing Card with a high-dollar limit for use by central office staff including the Superintendent, Assistant Superintendent, High School Athletic Director, and Treasurer to conduct transactions where they are either unable to establish normal open account terms, or the purchase is best handled via credit card.

Usage of the card is subject to the transaction falling within expenditure guidelines adopted by the board of education, the adopted appropriation resolution, and that all purchases serve a public purpose.

Building Cards - \$250 per transaction limit, \$1,000 monthly limit.

The “Building Card” is a Visa Purchasing Card with a low dollar limit for buildings to conduct small purchases, supplementing the purchase order system. For example, card usage could include orders requiring prepayment, purchases from retail stores with cumbersome open account requirements, small purchases from companies where the District does not have an account, and emergency situations.

A building card is to be used only for certain commodities or types of transactions approved by the building principal or supervisor. Building usage will be discussed with the individual principal or supervisor to which the card is to be assigned prior to issuance.

Items restricted from purchasing card usage include:

- airline travel\*
- conference expense\*
- gasoline
- alcoholic beverages
- entertainment expense
- cash advances
- equipment
- furniture, furnishing, carpet, window treatments
- telecommunications equipment and devices
- building repair, painting, renovation/remodeling
- payment of consultants, speakers, etc.
- reimbursements to or purchases from District employees
- other purchases restricted by the Treasurer/Board of Education and published in supplemental instructions.

\*not restricted if using District Purchasing Card.

The Treasurer may lift one or more of the above restrictions for certain cardholders whose duties include specifying and procuring that commodity for the District. Any such authorization must be in writing and made in advance of the transactions.

### **Issuance**

Cards will be issued in the name of the District, the building and the building principal (cardholder). Normally one card will be issued per building in the name of the principal, with the card then entrusted to the building principal to manage. The cardholder would then provide the card or the number to individuals within the building to make purchases in much the same manner that a purchase order number is given out.

Where needs warrant, additional departmental cards may be issued for an assistant principal, secretary, or other person authorized to approve and make small purchases on behalf of the building. To be a cardholder, a person must have signature authority recognized by the Board as administrator for their building.

Even though each card will have an individual cardholder's name, the building and the District, not the cardholder, is responsible to the issuing bank for the card's payment. The card in no way will reflect on the individuals personal credit records. The cardholder will be responsible to the District for proper card usage, and for reconciling monthly charges made on the card. If the card is being using in person by an individual other than the cardholder, the merchant may require additional identification or an authorization slip to complete the sale.

To obtain a card, the cardholder will have to complete a purchasing card application (Appendix A). If the cardholder is other than the building principal, it requires the approval of the Treasurer. All applications are subject to approval by the Treasurer prior to issuance. At the time the card is issued and received, the cardholder will complete a purchasing card agreement (Appendix B).

### **Use**

Making a District related purchase with the Visa Purchasing Card is similar to using any credit card. An order for goods or services is placed with a supplier either by mail, phone, fax, or in person. At the time of the purchase, the purchaser must advise the seller that the purchase is a tax exempt sale, and must provide or sign a tax exempt certificate as requested. The supplier processes the transaction as they would any consumer credit card purchase through the Visa network. Fifth Third Visa verifies that the purchase is within District and cardholder spending limits and approves the transaction.

If purchasing in person, the merchandise is selected, and card and tax exempt certificate are presented, the cardholder signs the charge slip, and takes the cardholder copy and itemized cash register or sales slip. The purchase can be taken with you or delivered, depending on the supplier and stock. If the purchase is made by phone, fax, or mail, the charge slip is typically included in the packing materials with the merchandise, or mailed separately to the shipping address.

(Note: According to Visa regulations, the supplier must ship the goods before a transaction is processed.)

Charge slips, itemized sales tickets, and/or packing slips must be collected by the cardholder for each transaction, and held for a reconciliation process to be done once monthly on receipt of the memo billing.

### **Record Keeping**

A building-purchasing card is used as a complement to open/blanket purchase order. No individual order or authorization number is given to purchases via the purchasing card. Issuance and use of a purchasing card requires the cardholder to maintain a card purchase log and individual receipts for each transaction. The log is in the form of an envelope printed on the outside with blanks to list the date of purchase, merchant, short description of purchase, amount, purchaser, and account number to which the purchase will be charged (Appendix C). The log is kept on a monthly basis coinciding with the individual card billing cycle. Individual receipts must be obtained from the supplier for each purchase, and are kept with the log for reconciliation. Once monthly. The memo billing, log, and individual receipts are reconciled by the cardholder and forwarded to the Treasurer for review and distribution of charges.

One master purchase order will be generated from the Treasurer's office to Fifth Third Visa that will encompass all building purchasing cards. Each building-purchasing card will have a default account (to be determined by the cardholder). All purchases listed on the log without an account number will be charged to the default account. Charges will be posted to the appropriate accounts on a monthly basis.

In general, buildings should treat card purchases the same as a purchase order authorization, with the card and log being held by the individual primarily responsible for purchase orders (cardholder). Faculty and staff wanting to make a purchase seek authorization from the cardholder and the cardholder determines if a purchasing card transaction is authorized and advantageous for the requested purchase. If so, and the purchase is to be made in person, the cardholder enters the date, purchaser, and account number on the log, then gives the card to the purchaser, who take the card to the merchant and completes the purchase. At the time of the purchase, the purchaser must inform the seller that the sale is tax exempt, and presents or completes a tax exemption form if requested. The card and charge slip with itemized receipt are then returned to the cardholder when the purchase is complete. The cardholder completes the log and inserts the charge slip and itemized receipt in the envelope.

If the order is to be called in, the cardholder should place the order and complete the log. At the time of the purchase, the purchaser must inform the seller that the sale is tax exempt, and offer to mail or fax an exemption form if required. The requester must be instructed that when the merchandise is received the itemized invoice/packing slip must be brought to the cardholder for filing and reconciliation.

Upon receipt of the monthly memo billing, the cardholder matches the individual receipts, the log, and the billing, then forwards to the Treasurer's office for processing.

It is extremely important that the building cardholders obtain the charge slips and cash register tapes/itemized invoice from the individual buyers. In the event that an individual charge slip and/or cash register receipt is lost, a Visa Purchase Card Lost Sales Slip Report shall be completed and certified by the purchaser and approved by the building principal. For large purchases, the principal may be required to obtain duplicate copies, with the costs of obtaining such paid for by the building. Repetitive incidents of lost sales slips may result in revocation of card privileges for individual purchasers or the building.

## **Payment**

Each month at the end of the billing cycle, the Treasurer's office will receive a consolidated electronic invoice for all monthly credit card purchases from Fifth Third. At the same time each cardholder will receive a paper copy memo billing for all charges to their card.

Upon receipt of the memo billing, the building cardholder reconciles the statement with their card envelope. The cardholder must ensure that each charge is valid and accounted for, and should also check that no tax is charged. Each purchasing card is assigned a default account number. If the charge is to be made to that account, no entry is required on the envelope in the column marked "Budget Account". If the charge is to be made to other than the default account, the proper account number must be written in on the envelope.

After reconciliation, the cardholder signs the log authorizing the total amount, makes a copy of the exterior form for their files, and forwards the envelope to the Treasurer's office. **The folders must be received in the Treasurer's office within seven (7) days after receipt of the memo billing in the building.**

The Treasurer's office will review the purchases for appropriateness, then modify the electronic copy of the detailed monthly statements to reflect the desired account assignments. All monthly charges to an account for the Fifth Third Purchasing Card purchases will be reflected in a single entry on your budget reports as "Fifth Third Purchasing Card Purchases". In the event that the department fails to submit their purchasing card envelope in a timely manner to allow payment of the District's bill within the District's agreement with Fifth Third Bank, all charges against the building's card will be processed and posted to their card default account, and the building will be responsible for initiating any journal voucher entries to correct the charges.

## **Responsibility**

The building and cardholder are responsible for the security of their assigned card. The card is issued in the building name and it will be assumed that any purchase made against the card have been properly authorized unless the card is reported lost or stolen prior to use. Use of the Card not in accordance with the District's policies and procedures, or failure of the cardholder or his/her designee to properly account for purchases and reconcile the statement in a timely manner each month, may result in card revocation, personal liability to the District, and/or disciplinary action.

**Appendix A**

**Findlay City Schools  
Office of the Treasurer  
Visa Purchasing Card - Request for Card Issuance**

Date \_\_\_\_\_

The undersigned building principal and cardholder hereby request the issuance of a Findlay City Schools - Fifth Third Visa Purchasing Card for use by the building to make small dollar purchases for the commodities and transactions listed below. The principal and cardholder agree to conduct business with the card in accordance with published procurement policies and procedures of the District, and in accordance with restrictions established by the Treasurer. The principal and cardholder agree that they will be accountable to the District for all charges made against the card; will maintain records and receipts as required; will reconcile monthly statements and individual charges; will file all reports in a timely manner as required; and promptly notify Fifth Third Visa and the Treasurer's office in the event of a lost or stolen card. The requester understands that failure to adhere to card policies and procedures or other misuse may result in revocation of the individual card or all cards assigned to a building by the Treasurer and/or appropriate disciplinary action.

Department \_\_\_\_\_

Mailing Address \_\_\_\_\_

Default FCS Budget Account  
for Card Purchases \_\_\_\_\_

Card is needed for the following type purchases (describe specific needs):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Name of Cardholder \_\_\_\_\_

Cardholder's Phone \_\_\_\_\_

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

(complete form and return to the Treasurer's office)

## Appendix B

### Findlay City Schools Office of the Treasurer Visa Purchasing Card - Cardholder Agreement

Participation in the Visa Purchasing Program is a convenience that carries responsibilities along with it. Although the card is issued in the cardholder's name it is District property and should be used with good judgment. The signature below verifies that you understand the Visa Purchasing Program guidelines outlined below and agree to comply with them.

1. The Visa Purchasing Card is provided to buildings and employees based on their need to purchase business-related goods and services. The card is not an entitlement nor reflective of title or position. A card may be revoked at any time based on change of assignment or location.
2. The cardholder is the only person authorized to approve charges made against the card.
3. Use of the card shall be in full compliance with published District purchasing policy or as approved in writing by the Treasurer. Use of the card contrary to District policies and procedures may result in card revocation and disciplinary action.
4. The card is for District business-related purchases only. Personal use of the card is considered misuse of District funds and appropriate disciplinary action will result.
5. Cardholders are expected to comply with internal control procedures in order to protect the card and District assets. This includes safeguarding of the card, collecting and retaining receipts, reconciling the monthly memo statement and assisting in the resolution of any discrepancies.
6. A lost or stolen card must be reported immediately to the Treasurer's office and Fifth Third/Visa representative at 1-800-847-2911.
7. The cardholder agrees to surrender his or her card to the Treasurer's office immediately upon termination of employment, or whenever requested by the Treasurer.

Card Number \_\_\_\_\_ Signature \_\_\_\_\_

Card Limits \_\_\_\_\_ Cardholder Name \_\_\_\_\_

Date Issued \_\_\_\_\_ Building \_\_\_\_\_



Findlay City School District  
Office of the Treasurer  
227 South West Street  
Findlay, OH 45850  
419-425-8237

### **Instructions for Visa Purchasing Card Use Shopping in Person**

1. The Fifth Third Visa purchasing Card is used to make small orders or purchases from vendors who do not maintain an open account for the District, or in other situations where its use simplifies the transaction.
2. Purchasing Card usage is subject to the same purchasing rules as purchase orders, except it cannot be used for airline travel, conference expense, gasoline purchases, alcoholic beverages, cash advances, equipment, entertainment expenses, furniture, furnishings, carpet, window treatments, telecommunications equipment and devices, building repair, payment of consultants, speakers, etc., reimbursements to or purchases from District employees, or other purchases restricted by the Treasurer/Board of Education and published in supplemental instructions. Purchasing card usage is limited to \$250 per transaction, and orders may not be split to avoid this limit.
3. The card is used in the same manner as a personal credit card. When using the card for shopping in person, please follow the directions below:
  - a) Obtain the Purchasing Card, a delegation form, a tax-exempt certificate, and instruction sheet from the building cardholder. The cardholder should enter the use on the monthly card envelope when the card is given out.
  - b) At the vendor's place of business, select the merchandise and take it to the cashier or sales desk.
  - c) **Advise the clerk that you are making a Visa purchase for Findlay City Schools, and that the transaction is tax exempt.** You must be prepared to: 1) present them the tax-exempt certificate given you by the cardholder; or 2) fill out an exemption certificate provided by the store. If filling out a store's form, the District's federal tax id number is 34-6400447, and the reason for claiming exemption is "an entity of the State of Ohio government".
  - d) If you are using a card that is not in your name, the store may question your authority to use the card. If so, present them a completed charge card delegation form.
  - e) Before signing the sales ticket, make sure that no sales tax was charged. If so, ask the clerk to credit before you sign.
  - f) Before leaving the store, make sure you have a copy of an itemized sales ticket and the charge slip (if separate).
  - g) Upon return to your building, return the charge card along with the itemized sales ticket and charge slip to the cardholder (principal) promptly. This is absolutely necessary for monthly bill reconciliation.
  - h) If any returns are required, take a copy of the itemized invoice and charge slip with the merchandise and ensure that credit is made back to the Visa account.
4. For any questions or problems, contact the Treasurer's office, 419-425-8237.

**Findlay City Schools  
VISA Purchasing Card**

*Findlay City Schools Purchasing Cards  
Board Policy 4.24 – Revised 7/26/00*

**Lost Sales Slip Report**

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

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

Name of Purchaser \_\_\_\_\_

Total Amount of Purchase \_\_\_\_\_

Itemized Description of Purchase \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Intended Use of Purchase

\_\_\_\_\_  
\_\_\_\_\_

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*I certify that the above is a true and accurate description of the items purchased on behalf of Findlay City Schools by me on the date indicated, and that the original charge slip and cash register tape has been lost or misplaced and is unavailable.*

Name of Purchaser \_\_\_\_\_

**Findlay City Schools  
Office of Treasurer  
227 S. West Street  
Findlay, OH 45840  
419-425-5432**

**5/3 Visa Purchasing Card Assign Delegation**

Date \_\_\_\_\_

TO: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The individual listed below is hereby designated by me to use the accompanying 5/3 Visa Card for the purchasing transactions described hereon on the date(s) listed.

Card Number \_\_\_\_\_  
Delegate \_\_\_\_\_  
Delegate's Signature \_\_\_\_\_  
Date(s) \_\_\_\_\_  
Transaction \_\_\_\_\_  
Dollar Limitation \_\_\_\_\_

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

Form 202 Rev. 9-66

**BLANKET CERTIFICATE OF EXEMPTION**

The undersigned hereby claims exemption to purchases of tangible personal property from \_\_\_\_\_ on and after July 1, 2005.

Name of Vendor \_\_\_\_\_ Date \_\_\_\_\_

And certifies that this claim is based upon the purchaser's proposed use of the items purchased, the activity of the purchaser, or both, as shown hereon:

(Purchaser must state prescribed reason for claiming exemption or exception)

#29 ---- Findlay Board of Education – Findlay City Schools is considered a political subdivision of the State of Ohio

This certificate shall continue in force until revoked and shall be considered a part of each order given to the above named vendor unless the order specifies otherwise.

Federal ID No. 34-6400447

\_\_\_\_\_  
(Date signed)(Vendor's License, if any)

Findlay City Schools  
(Purchaser's Name)  
Public School System  
(Purchaser's Activity, i.e. manufacturer)  
227 S. West St., Findlay, OH 45840  
(Purchaser's Address)  
\_\_\_\_\_, Treasurer  
(Signature and Title)



Findlay City School District  
227 South West Street  
Findlay, Ohio 45840-3377

[www.findlaycityschools.org](http://www.findlaycityschools.org)

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