

MIAMI-DADE COUNTY PUBLIC SCHOOLS

Purchasing Credit Card Program

Policies & Procedures Manual

Office of the Controller
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INTRODUCTION

The Miami-Dade County Public Schools' Purchasing Credit Card Program is designed to expedite the small dollar procurement process, allowing authorized employees to acquire materials and supplies, as they are needed for operations, with minimum delay. Use of the card is meant to simplify and streamline the acquisition process and lower overall transaction costs.

All cardholders have limits that are defined per work location, and enforced at the point of purchase by the credit card control features. Limitations are established for spending amounts per transaction, types of vendors from whom purchases can be made, number of transactions that can be made per day, and others.

Credit cards will be issued to work location administrators for the purpose of purchasing authorized goods and services costing less than \$1,000. The goal of this program is to reduce the number of costly transactions processed by the Procurement and Accounts Payable departments and provide work locations with the flexibility to obtain authorized materials and supplies, as needed. Each work location will be issued at least one credit card with a unique account number. Although the School Board is responsible for each card, the School Board will not be liable for unauthorized purchases made by employees with the intent to defraud the District. The Purchasing Credit Card Program does not affect M-DCPS current purchasing regulations or internal policies.

The M-DCPS Purchasing Card Administrator, in the Office of the Controller, manages the program. Each participating work location has a Purchasing Card Administrator (i.e., Work Location Administrator) to manage its card program. The Purchasing Card Administrator for each work location is responsible for the overall management of the location's program. The Purchasing Credit Card Policies and Procedures Manual can be accessed via the Intranet at <http://dadeschools.net/ehandbook/index.htm>.

POLICIES AND GUIDELINES

1. Card Issuance and Cancellation

- a.* Work Location Administrators are responsible for completing the Credit Card Set-Up Form and Cardholder Agreement (See Appendix) in order to obtain a purchasing credit card account. Additional cards may be issued to authorized personnel by submitting the completed forms. The forms must be signed by the responsible Work Location Administrator, and returned to the Office of the Controller (9151/655) for processing. The main credit card account (i.e., used for central purchases) issued under the Work Location Purchasing Card Administrator's name will be used by the designated person responsible for the central purchasing function when placing phone or fax purchases. The Work Location Administrator will retain the credit card in a secure location.
- b.* The M-DCPS Purchasing Card Program Administrator, in the Office of the Controller, is responsible for processing all credit card account request forms and coordinating the establishment of the new accounts with the credit card company. Each new credit card will be mailed directly to the Work Location Purchasing Card Administrator for issuance to cardholder, who is responsible for initiating the credit card account by following standard security procedures required by the credit card company. Cards are to be canceled and returned immediately to the M-DCPS Purchasing Card Administrator upon a change in the cardholder's job status, such that they no longer require a card, or upon separation from M-DCPS employment for any reason.
- c.* The Office of the Controller is responsible for canceling credit cards upon employment termination of authorized cardholders. A report of all terminated employees will be provided, by the Payroll Department, to ensure that credit cards are canceled appropriately. Cancellations will be done via phone/fax, or by submitting electronic cardholder information to the credit card company. The Work Location Purchasing Card Administrator shall notify the M-DCPS Purchasing Card Program Administrator of any changes in the cardholder's status. ***Cards must be canceled and returned to the M-DCPS Purchasing Card Administrator when cardholders change positions within the unit or between work locations.***

2. Cash Advances are specifically excluded from the program.

3. Purchasing Card Limitations and Restrictions

- a. Individual cardholder controls constitute a cardholder's profile. The M-DCPS Purchasing Card Administrator is responsible for establishing and changing cardholder profiles. The M-DCPS Purchasing Card Administrator maintains a file of all Cardholder Agreements, Cardholder Set-Up forms, and other required cardholder information. Request to exceed the standard credit card program thresholds shall be made in writing via memorandum, detailing the reason for such increases. Schools should submit their request for approval to the Region Superintendent, and departments should submit their request for approval to the appropriate chief of their divisions. The approved memorandum should then be forwarded to the Office of the Controller.

- b. Work Location Purchasing Card Administrators are responsible for establishing each individual credit card's monthly, daily, and specific purchase dollar limits. The work location's monthly purchase dollar limit will be established up to the following standard amounts:

Administrative Office	\$ 6,000
Elementary School	\$ 9,000
Middle School	\$ 12,000
High School/Adult Center	\$ 15,000

Based on the above monthly expenditure limits, Work Location Purchasing Card Administrators have the flexibility to authorize and issue a maximum of 3 credit cards, including the central charge account, for individuals that are required to make frequent small dollar purchases. Request for additional cards shall be submitted in writing to the Region Superintendent (school locations) or Department Chiefs (department locations) for approval. Approved requests should be forwarded to the Office of the Controller along with the Cardholder Agreement and Cardholder Set-up forms. Please do not exceed the following purchasing limits, when completing the Set-Up form (see Appendix), unless prior approval is obtained, as stated before:

	Central Account	Individual Cards
Monthly Card Spending Limit	*	\$ 1,000.00
Transaction Limit	\$ 999.99	\$ 300.00
Daily Spending Limit	\$ 2000.00	\$ 500.00
Velocity Limit (charges per day)	10	3

*The monthly spending limit for the central charge account is the difference between the total authorized work location monthly purchasing limit and the total of all individual cards monthly spending limit. For example, if a Middle School has a second credit card with a monthly limit of \$1,000, then the total monthly limit of the central account is \$11,000 (\$12,000-\$1,000).

c. Although not all-inclusive, the following is a list of **unauthorized expenditures**, which cannot be purchased with the purchasing credit card.

- Air fresheners such as plug-ins, etc.
- All charges totaling \$1,000 or more per vendor per purchase/charge (split orders are not allowed).
- Awards (**Non-Salary**) - awards where the unit cost of the award exceeds \$40.
- Awards – Salary and monetary.
- Business cards, except when approved in writing by Deputy Superintendent.
- Beautification and decoration accessories such as plants, pictures, frames, designer or specialized supplies or equipment, etc.
- Cash advances are specifically excluded from the program.
- Chemicals and custodial supplies not authorized by S&D, as determined by Custodial Standard Committee.
- Computers, **including** software on bid (i.e. Microsoft); however, items that are **not** currently on bid may be purchased with the credit card.
- Consulting and professional services.
- Decorative letterhead or stationary, greeting cards, party supplies, decorative mouse pads, entertainment, holiday items, etc.
- Extra curricular school activity items, such as uniforms, tickets, t-shirts, games, and costumes.
- Federal/grant fund expenditures unless otherwise authorized in writing by the Grants Administration Office.
- Gifts and appreciation items.
- Individual memberships in professional organizations
- Internal fund related purchases.
- Personal use (i.e., microwave, refrigerator, air purifier, fan, heater, electronic equipment, medicine, clothing, gifts, air fresheners).
- Refreshments, coffee, water, cups, plates, etc., including food purchases for hospitality meetings and special observances.
- Repairs and maintenance/rental agreements over \$500 per contract.
- Taxes, late penalties/fees, and interest charges.
- Textbooks – state adopted programs 8540 and 8560.
- Tools and equipment not authorized for use by Safety Department.
- Travel and entertainment related expenditures (i.e. hotel, car rentals, transportation, tolls, field trips), **excluding** seminar/registration costs.
- Uniforms not authorized by union contract
- Utilities and telephone expenses, including cellular phones, unless authorized by the Department of Energy and Communication Management

4. Purchasing Card Security

- a. Use of the purchasing credit card is limited to the M-DCPS employee whose name appears on the face of the card. The purchasing card should not be loaned to another person under any circumstances. If a cardholder is absent for a period of time, the work location should seek to obtain another card for a different designated employee, either temporarily or permanently. Work Location Credit Card Administrators must ensure that the main central account number used for phone/fax purchases are protected at all times, and used only by the designated person responsible for centralized purchases.
- b. Each cardholder is responsible for the security of his/her card. All precautions should be used to maintain confidentiality of all information relating to the card, such as the cardholder account number and expiration date. The account number should never be left in a conspicuous place.

5. Cardholder Procedures

a. General Cardholder Instructions

Work locations must use the purchasing credit card to purchase authorized goods and services totaling less than \$1,000. Work locations are prohibited from splitting purchases, through separate consecutive transactions, in order to bypass the \$1,000 purchase limit policy. All purchases should be requested in advance, utilizing a Purchasing Card Purchase Authorization form (FM-5707), and approved by the Work Location Administrator. This form, along with the original receipt must be maintained in a file for the purpose of reconciling it to the monthly credit card statement. Authorized items can be purchased via telephone/fax or in person. The original transaction receipt must be obtained and retained after each purchase. If the vendor does not supply an original invoice, such as for the Internet orders, a printout of the order screen or other documentation reflecting the quantity and price should be retained along with the packing slip. In all cases, the individual receiving the goods or responsible administrator shall sign the receipt documentation. In addition to materials and supplies, the purchasing card account may be used to pay for approved seminar/conference registration fees, small repairs, institutional membership dues, and subscriptions. Please note that authorized travel related expenditures should be paid with the individually issued Diners Club credit card, which is reimbursed through the Payroll Department.

b. New Card Registration

Once a request has been processed, the M-DCPS Purchasing Card Administrator will receive all credit cards. Credit cards along with instructions on how to activate the card will be forwarded to the Work Location Administrator. Contact the M-DCPS Purchasing Card Administrator or the Credit Card Provider's Customer Service if a new card is not received within a reasonable time (see appendix for contact information).

c. Purchase Procedures

- i. Use catalogs and bids from preferred vendors to obtain item description and pricing. Make sure to buy from vendors that provide discounts and special prices to M-DCPS. Contact the Division of Procurement Management for current listing of authorized vendors.
- ii. Complete the Purchasing Card Purchase Authorization form (FM 5707), which can be obtained via the intranet. The Purchase Authorization form must be submitted to the Work Location Administrator for approval, after which the form may be submitted to the appropriate personnel authorized for making the purchase.
- iii. Cardholder must inform Supplier/Merchant that the purchase is being made with a Purchasing Card. Whenever possible, the Purchasing Credit Card Purchase Authorization form should be faxed to the vendor as a record of the transaction.
- iv. Retain all packing slips, receipts or invoices and attach to the Purchasing Credit Card Purchase Authorization form. Receipt documentation shall be signed by the individual receiving the goods, or responsible administrator. **Please make sure that the invoice or sales slip clearly shows that no sales tax was paid.**
- v. Cardholder must submit the original Purchasing Credit Card Purchase Authorization form in date order sequence to the assigned individual responsible for reconciling the work location's purchases to the monthly credit card statement.

d. Credit Card Security

The Purchasing Credit Card should always be treated with the same level of care as you do with your own personal credit cards. Keep your Purchasing Credit Card in an accessible, but secure location. Individuals responsible for ordering through the phone or fax, utilizing the central account number, cannot use the actual card to go and purchase at a local store. The central card is issued in the name of the Work Location Administrator, and only this person can take the card out of the facility. ***Guard the Purchasing Credit Card account number carefully! Do not post it at your desk or write it in your day planner. The only person authorized to use an individual Purchasing Credit Card is the person whose name appears on the face of the card. Do not lend your Purchasing Credit Card to another person for use.*** If the Cardholder is going to be absent from work for an extended period, the supervisor should request that a new card be issued to a different person for the duration of the absence.

e. Stolen/Lost Credit Card

Just like your personal credit cards, if the Purchasing Credit Card is lost or stolen you must immediately notify Credit Card Provider at 1-800-258-9275. Please note that any purchases appearing on your account prior to notifying the bank, will be the District's responsibility. Therefore we ask to keep this telephone number in an accessible place (i.e. your pocketbook). We also ask that you call the M-DCPS Purchasing Credit Card

Program Administrator at (305) 995-2079.

f. Suppliers/Merchants

Any supplier or merchant that accepts Visa/MasterCard can normally accept the Purchasing Credit Card. All purchases must adhere to Board rules regarding competitive bidding and should be made from authorized vendors. Please contact the Division of Procurement Management for additional information on approved vendors authorized to provide goods and services to the District.

g. Supplier Acceptance

If the supplier/merchant you wish to use does not accept the purchasing credit cards or our platform (i.e. American Express, MasterCard, Visa), you have the following options:

- i.** If it is a supplier/merchant you regularly use, explain the new purchasing method and ask them to consider accepting the M-DCPS Purchasing Credit Card. Ask the supplier/merchant if they are interested in obtaining the ability to accept the purchasing credit card. Their merchant bank may be a credit card provider bank. If they make arrangements with a bank, they may be able to accept credit cards within three to four weeks.
- ii.** You may also refer the merchant to the M-DCPS Purchasing Credit Card Administrator.

h. Changing Positions or No Longer Working for the Same Work Location

Your work location's policies should include a plan for ensuring that the Purchasing Credit Card is retained by the work location, canceled, and destroyed (cut-up cards can be sent to M-DCPS Purchasing Credit Card Administrator Mail Code 9999-Room 655). When employees are terminated or transferred from the work location, the Work Location Purchasing Credit Card Administrator is responsible for obtaining the assigned Purchasing Credit Cards from personnel no longer authorized.

i. Problems With the Statement or Merchandise

If you have a problem with a purchased item or billing resulting from the use of the Purchasing Credit Card, you should first try to reach a resolution with the supplier/merchant that provided the item; in most cases, disputes can be resolved directly between the cardholder and the supplier/merchant. In some instances the resolution will be that the supplier/merchant will issue a credit. The supplier/merchant should issue you credit for any item that has been agreed to be returned. This credit will appear on a subsequent statement.

Under no circumstances should a vendor be permitted to bill for goods before they are shipped (i.e., no back-orders). Vendors who bill before shipping goods should be advised that M-DCPS would discontinue purchasing where this practice is followed.

j. Disputed Items

If you have a dispute and cannot reach resolution with the supplier/merchant, complete a Billing Inquiry Form (see Appendix). This form must be completed within 60 days of the purchase and faxed or mailed to the Credit Card Provider (see Appendix for fax number and address). The Credit Card Provider will then intercede with the supplier/merchant on your behalf. Examples of disputed items are:

- i. The merchandise arrives broken and the merchant refuses to replace it.
- ii. The invoice is for more than your receipt and the merchant refuses to give you a credit.
- iii. Vendor refuses to provide a credit due.

k. Action if the Credit Card is Declined at Point-of-Sale

The merchant may make an inquiry about why the transaction was declined or you may make an inquiry by calling Credit Card Provider's Customer Service at 1-800-258-9275. If you make the call, be prepared to provide the account number and identify yourself with unique information (i.e. last four digits of social security number and work location). If you cannot resolve the problem, contact the M-DCPS Purchasing Credit Card Administrator.

l. Circumstances Under Which Credit Card Might Be Declined

- i. You have exceeded your designated transaction limit or period credit limit. There are circumstances when exceeding a limit can be authorized. The Work Location Administrator must contact the M-DCPS Purchasing Card Administrator if a temporary increase in your limit is justified.
- ii. You attempt to use the card for a blocked merchant category. If you wish to purchase from vendor and believe the category is incorrectly blocked, the M-DCPS Program Administrator can investigate the possibility of lifting the block.
- iii. Credit card providers monitor usage to identify irregular patterns that can demonstrate fraud (e.g., you haven't used it for a long time). They may ask for the last four digits of your social security number, or your address. If you are asked for your address, give them the address that was on your application. In most cases it is the address of your work location.

m. Questions Concerning the Tax-Free Status of Purchases

The card itself should be sufficient identification to allow you to make tax-free purchases. However, there are vendors who will want to have you fill out a standard tax exemption form, or provide a copy of the District's Tax Certificate of Exemption.

6. Reconciliation of Charge Receipts

- a. Each Work Location Administrator will receive a monthly statement from the credit card company and is responsible for reconciling the expenses to the monthly Purchasing Credit Card Authorization Forms and ensuring that all billed charges match the original receipts from each purchase. Any discrepancies, due to unauthorized or incorrect charges, must be communicated directly to the credit card company for resolution.
- b. The Work Location Purchasing Card Administrator or designee (e.g., Treasurer) must reconcile the statement, utilizing the Monthly Reconciliation Worksheet form (FM-5828), which can be obtained via the intranet. Work Location Purchasing Card Administrators are responsible for ensuring that each cardholder account is reconciled *on a monthly basis*, and should review pending credits to ascertain that the account is credited appropriately. The Work Location Purchasing Card Administrator is also responsible for maintaining a system to retain documentation of purchases and returns, authorization forms, monthly cardholder statements, and other information supporting the purchase transactions. Internal control plans call for periodic internal audits of the program.
- c. To begin the reconciliation process, add all purchases made during the month including returns and/or discrepancies.

Line 1: enter all previous months' pending credits found in the prior month's reconciliation form Line 6

Line 2: enter current month activity

Line 3: enter current period disputed/returned amounts; only include credits for purchases that occurred during the current month's activity (Line 2)

Line 4: add Lines 1 through 3; this is the total of the actual amount owed to the credit card company.

Line 5: enter amount due **per credit card statement**

Line 6: subtract Line 4 – amount owed from Line 5-amount due per credit card statement; this amount represents credits due that were not issued on the current or previous statements

Line 6a: enter the current month's pending credits (not resolved)*

Line 6b: enter the pending credits from prior months *

Line 7: enter the requisition number

*List the pending credits due individually on the reverse side of the reconciliation form.

- d. Finally, sign and date the reconciliation form.

7. The Payment Process

- a. Using the original statement and approved reconciliation form, the work location must generate a requisition to pay credit card charges. The requisition will be as follows:

Buyer	P
Category	099
Item	75
Last Required Approver	PERDOMOM

- b. Except for purchases using object 5640, purchases must be categorized and grouped by funding structure and entered individually as a line item on the requisition (i.e., each line item represents a group of purchases charged to the same funding structure). The purchase requisition total must match the credit card statement due amount (i.e., Line 5 of the reconciliation). Disputed charges should be monitored until the actual credit is received on subsequent statements. Any discrepancies should be explained in writing in the purchase requisition comment section. **The requisition last approver must be “PERDOMOM”.**
- c. In an effort to comply with capitalization procedures, all purchases using objects 5620, 5640, 5690 should be itemized by item purchased in separate line items in your requisition. For example a purchase that includes a fax, and printer would require two separate lines detailing the items purchased in the requisition.
- d. Once the work location administrator and other required approvers authorize the purchase requisition electronically, the purchasing system will convert the requisition to a journal entry charging the work location budget structures. The reconciliation package, consisting of the original reconciliation form and the monthly statement, must be submitted to the Cost & Business Services (Mail Station 9999, room 655) for processing. Please note that although school sites retain all receipts as supporting documentation for audit purposes, all **non-school** sites must include the original receipts with the payment package.
- e. The Work Location Administrator is responsible for generating the credit card purchase requisition within 5 working days after receipt of the monthly statement. All work locations must submit the original reconciliation form and required supporting documentation to the Cost & Business Services Section as soon as possible, but no later than 10 days after receipt of the monthly credit card statement.
- f. The Cost & Business Services section is responsible for receiving and reviewing the master monthly statements for all M-DCPS' purchasing credit card accounts. The M-DCPS Purchasing Credit Card Administrator will notify the Work Location Administrator if an account is past due. In such cases, the Cost & Business Services section is authorized to place temporary holds on cardholders that do not comply with the procedures set forth and may lock-out the work location from accessing the procurement system until the issue is resolved.

8. **Purchasing Credit Card Purchase Authorization Form (FM-5707)**

Cardholders should include all Purchasing Credit Card Purchase Authorization Forms, showing purchases made using the M-DCPS Purchasing credit card, as part of the monthly credit card vendor purchase order documentation. The forms provide a detailed description of each purchase, so that the Purchasing Credit Card Administrator or designee can assign funding structures properly, and also provide a means for account reconciliation. An example of this form can be found in Chapter 7 of the MSAF Budget/Finance/Purchasing Manual.

9. **Training and Information**

All Work Location Purchasing Credit Card Administrators, cardholders, and individuals responsible for the reconciliation process should attend training on the policies and procedures associated with the Purchasing Credit Card Program. All participants must be knowledgeable of the purchasing credit card policies/procedures and other sources of information relevant to the program.

10. **Encumbrance**

The Purchasing Credit Card Program was established, in part, to lessen the amount of paperwork and processing time currently needed for small-dollar purchases. Therefore, the charges will not be systematically encumbered until the monthly credit card payment requisition is created. *Work Location Administrators are responsible for ensuring that sufficient funds are budgeted and available to cover all credit card charges.*

11. **Year-End Procedures**

It should be noted that purchases made after the June closing statement date would not be recorded as expenditures until the following month, which falls into the next fiscal year. Work Location Purchasing Credit Card Administrators must ensure that the appropriate personnel is available after the end of the school year to ensure that the credit card statement is reconciled and a purchase requisition is generated on time to meet payment deadlines.

APPENDIX

KEY CONTACTS

To cancel or report your purchasing card lost or stolen, please call:

Mellon Bank Dedicated Commercial Card Customer Service Group

1-800-258-9275*
(24 hours a day)

*You may also call the phone number listed above (24 hours a day) for any other purchasing card customer service need.

For other information please contact the M-DCPS Cost and Business Services Section:

Name	Telephone	Position
Maria Perdomo	(305) 995-2079	Manager
Shelly Colón	(305) 995-1695	Sr. Specialist

Detailed policies and procedures regarding the Purchasing Credit Card Program can be obtained by accessing the intranet at <http://dadeschools.net/ehandbook/index.htm>.

For assistance with purchasing regulations and vendors, contact the Division of Procurement Management at 305-995-1375.

Forms Search:

Cardholder Set-up and Agreement Form (FM-6462) <http://forms.dadeschools.net/webpdf/6462.pdf>

Monthly Reconciliation Worksheet (FM-5828) <http://forms.dadeschools.net/webpdf/5828.pdf>

Purchasing Authorization Form (FM-5707) <http://forms.dadeschools.net/webpdf/5707.pdf>