

HEALTH LEADERSHIP HIGH SCHOOL GOVERNING BOARD POLICY PURCHASING CARD POLICY & PROCEDURE

Effective

Introduction and Overview

The Health Leadership High School Purchasing Card (“P-Card”) is a credit tool issued by a credit card issuer, pursuant to this Policy and Procedure, the New Mexico Public School Code, NMSA 1978 §§22-8-5.1 and -13.2, and the New Mexico Procurement Code, NMSA 1978 §13-1-129. It is a fast, flexible purchasing tool which offers an alternative to the existing purchase order process(es) and which provides an efficient and effective method for purchasing and paying for small-dollar items and School-related business travel. The card is to be used only for official purchases, and in compliance with this policy and the New Mexico Procurement Code and the New Mexico Administrative Code.

The Purchasing Card will enable approved users to purchase approved, non-restricted goods/services, by telephone or in person, directly from the vendors, in appropriate circumstances. The Purchasing Card is NOT intended to circumvent the appropriate purchasing, approval or payment process. The Purchasing Card will be issued in the approved user’s name, with the School’s name clearly indicated on the card.

Parties Involved

Card Issuer/Bank-

Card Issuer/Bank issues Visa Purchasing Card(s) to School’s Authorized User(s);
Bank bills School for all purchases made on the card.

School-

Arranges with Bank to have Purchasing Cards issued to Authorized User(s);
Agrees to accept liability for the Authorized User’s use of the card.

Purchasing Card Administrator-

The person designated by the School to coordinate and administer the Purchasing Card program. The Purchasing Card Administrator may not be an Authorized User.

Authorized User-

An administrator employee of the School, approved by Governing Council and School Business Manager/CFO to use the Purchasing Card.

Vendor-

The merchant from whom an Authorized User is making a purchase.

Authorized User Eligibility

Any Authorized User must be an employee of the School, and must be approved by the Governing Council. Authorized Users must attend a training session with the School's Business Manager/CFO before they may be issued a P-Card. Authorized Users must sign a Cardholder Agreement, and an Authorization to Collect for Unauthorized Expenditure form, which must be notarized, before a P-Card may be issued to them.

Authorized User Responsibilities

The P-Card may be used for legitimate School business purposes only. Authorized Users must keep the Card in a secure location at all times, and at all times are responsible for the Card's safety. Authorized Users shall not allow other individuals to use the Purchasing Card. Prior to making any Purchasing Card transactions/purchases, Authorized User must obtain a properly authorized purchase order for any and all Purchasing Card transactions from the School's Business Office. The purchase order must be detailed and shall contain sufficient information to make a determination about the need for the purchase. Vague or blanket purchase orders are not acceptable and will not be approved.

The Purchasing Card Administrator must pre-approve any and all expenditures using the P-Card, except in cases of emergency. Authorized Users shall adhere to the purchase limits and restrictions of the Purchasing Card set by the Bank and the School. Authorized Users must obtain and reconcile all itemized sales slips and receipts, and provide them to the Purchasing Card Administrator on the next business day following the purchase. Authorized Users shall report erroneous transactions to the Purchasing Card Administrator and to the CFO.

Authorized Users who cannot produce original receipts may be personally liable for charges incurred. All receipts must be signed by an administrative employee other than the Authorized User, who verifies that the items were received by the School. Authorized Users shall return the Purchasing Card to the Purchasing Card Administrator upon terminating employment with the School, or transferring from an Administrator position.

Authorized Users must treat the P-Card issued to them with at least the same level of care as their own personal credit cards. Keep the card safely secured and the account number carefully guarded. No one other than the Authorized User may utilize the P-Card. Never email your P-Card number to anyone, or release information about your P-Card (including CID number) over the phone to anyone other than an authorized vendor.

Purchasing Card Administrator Responsibilities

The Purchasing Card Administrator shall review Purchasing Card transaction requests for appropriateness, shall review billings/P-Card statements promptly upon receipt, and shall attempt to resolve disputes or billing errors directly with the vendor. Authorized Users shall cooperate with and assist the Purchasing Card Administrator as requested. The Purchasing Card Administrator shall review receipts and billing statements to ensure that appropriate tax exemptions have been applied, and shall

ensure that if allowed by the Bank, an appropriate credit for any reported disputed item or billing error appears on a subsequent Cardholder statement. The School shall not accept cash in lieu of a credit to the Purchasing Card account. Authorized Users shall immediately report a lost or stolen card to the Purchasing Card Administrator. The Purchasing Card Administrator shall immediately notify the Bank and CFO of a lost or stolen P-Card.

The Purchasing Card Administrator shall report discrepancies and/or violations of the School's P-Card Policy/Procedure to CFO and/or Governing Council, shall collect revoked P-Cards and ensure that revoked, lost or stolen cards have been blocked by the Bank, and shall distribute monthly reports to the CFO/Business Manager and Governing Council regarding the P-Card's use. The Purchasing Card Administrator shall reconcile the Bank's bill to the Bank's electronic file and to the transaction totals posted to the NAS-NM accounting system.

CFO/Business Manager Responsibilities

The CFO/Business Manager shall act as liaison with the Bank/Card Issuer. S/he shall:

- Review School-approved P-Card Authorized User applications for completeness.
- Submit completed applications to Bank/Issuer.
- Receive Purchasing Card from Bank/Issuer.
- Train Authorized Users on policy/procedure/restrictions before releasing Purchasing Card to Authorized User.
- Assure all necessary forms are signed and/or notarized.
- Handle disputed charges/discrepancies not resolved by Authorized User and/or Purchasing Card Administrator.
- Forward vendor payment set-up requests to Bank.
- Dispute or pay amounts billed by the Bank within 30 days of receipt.

Requirements for Becoming an Authorized User

Before receiving a Purchasing Card, Authorized User is required to:

- Fill out the Request for Procurement Card form;
- Return Request for Procurement Card form to the CFO or designee;
- Be approved by the Governing Council and the CFO/Business Manager;
- Complete the P-Card training;
- Sign NAS-NM Purchasing Card Authorized User Application/Agreement (Attachment 1); and
- Sign the Authorization to Collect for Unauthorized Expenditure Form (Attachment 2) (must be notarized).

All documents must be verified and training requirements met before P-Card will be issued to Authorized User.

Acceptable Purchasing Card Purchases

The P-Card is not intended to replace the purchase order or other established method of paying merchants and vendors; rather, the P-Card is to be used for approved School-related purchases where the vendor/merchant does not and cannot accept a purchase order/check from the School, e.g., secure internet or online purchases, travel reservations. Before making a purchase with a P-Card, the Authorized User and Procurement Card Administrator should check to see whether the vendor/merchant will accept a purchase order/check from the School. In time-sensitive cases where a check/purchase order is not practicable, a P-Card may be used to make authorized purchases, but this should not be a regular practice where normally a purchase order/check can be used.

Examples of purchases that are appropriate for the School P-Card [Note: All purchases must be pre-approved by the Purchasing Card Administrator, even if listed here.]:

- In and out of state School-related travel, conference expenses, car rental
- Professional conference and seminar registrations
- Professional membership dues
- Gasoline for School-owned vehicle
- Federal Express, United Parcel Service, United States Postal Services expenses
- Professional 1-year subscriptions that are received by the School
- Other miscellaneous items that apply to School budget that otherwise cannot be paid through School check or purchase order

This list is not intended to be all-inclusive. If you have specific questions, please consult with Purchasing Card Administrator or CFO for assistance.

Unacceptable Purchasing Card Purchases

The following items are examples of purchases that are inappropriate for the purchasing card:

- Purchases over \$1,000.00, per item **or** aggregate monthly purchases of \$10,000
- Meals [reimbursed through Per Diem request]
- Payment of sales tax, except in relation to purchase of services
- Open accounts for hotel room incidentals (must use personal credit card)
- Prepaid purchases
- Donations, of any kind
- Massage or escort services
- Alcoholic beverages
- Tobacco
- Lottery tickets
- Cash advances
- ATM withdrawals

- Weapons
- Purchases through electronic mail
- Payments to/purchases from foreign entities
- Any personal purpose
- Any illegal purpose
- The Purchasing Card cannot be used to pay consultants

This list is not intended to be all-inclusive. If you have specific questions, please consult with Purchasing Card Administrator or Business Manager/CFO for assistance.

Splitting of purchases, incremental purchasing or any activity to avoid a decline is prohibited with the Purchasing Card. Incremental purchasing or splitting of purchases with the P-Card will result in cancellation of the Authorized User’s card, and other appropriate disciplinary action.

Purchasing Card Limits

No purchase may be made using the P-Card that is outside the limits set by the Bank, the Procurement Card Administrator, the School, and/or by the New Mexico Procurement Code. Purchases may not be ‘split’ to circumvent the limitations of the P-Card or the Procurement Code. In no event may a purchase be made in an amount exceeding \$1,000 for individual purchases and aggregate monthly purchase of \$10,000. Authorized Users exceeding limitations may be held personally liable for the amounts charged. In rare instances, the P-card Administrator and Business Manager/CFO may authorize a purchase exceeding \$1,000 when it is considered in the best interest of the school. Documentation pre-authorizing the purchase must be kept with the purchase order.

Sales/Gross Receipts Tax

Sales/gross receipts taxes should not be charged on the School’s purchases of tangible goods. Authorized Users and the Purchasing Card Administrator should ensure that sales/gross receipts charges for purchases of tangible goods are not included in P-Card purchases.

Purchasing Card Closure

The Purchasing Card Administrator is required to close an account if an Authorized User:

- a) moves to a position in which a Purchasing Card is not required
- b) terminates employment with the School, or
- c) for any of the following reasons, which will also subject Authorized User to disciplinary action in accordance with NAS-NM policies and procedures relating to disciplinary action and/or termination/discharge:
 - i. The Purchasing Card is used for personal or unauthorized purposes;
 - ii. The Purchasing Card is used to purchase alcoholic beverages or any substance, material, or service which violates policy, law or regulation;
 - iii. The Authorized User allows the card to be used by another individual;
 - iv. The Authorized User splits a purchase to circumvent the limitations of the Purchasing Card or Procurement Code;
 - v. The Authorized User fails to provide, when requested, information about any specific purchase;

- vi. The Authorized User does not adhere to all of the Purchasing Card policies and procedures;
- vii. The Authorized User makes a purchase without a valid purchase order.

A request for closing an Authorized User's account will be submitted to Bank by the Purchasing Card Administrator.

User Liability

- The Purchasing Card is a corporate charge card and will not affect Authorized User's personal credit.
- It is the Authorized User's responsibility to ensure that the card is used in accordance with this Policy & Procedure, and applicable state and federal laws.
- Failure to comply with P-Card Policy & Procedure may result in:
 - Permanent revocation of the card;
 - Notification of the situation to Governing Council and School administration;
 - Notification to law enforcement or other regulatory body, as appropriate and/or required by law;
 - Disciplinary action in accordance with School policies and procedures relating to disciplinary action and termination/discharge; and
 - Recoupment of any costs associated with unauthorized purchases by the User.

Adopted by the Health Leadership High School Governing Council on 7-29-2002