

Providence Creek Academy PCard Policy and Procedures

PURPOSE: To establish internal controls and procedures for Providence Creek Academy (PCA) employees issued a PCard and managing the Pcard program. The purpose is to ensure compliance with the State Procurement Card guidelines detailed in the State of Delaware Budget and Accounting Policy Manual, Chapters 11 and 12.

POLICY: To ensure compliance with the State Procurement Card (PCard) guidelines detailed in the State of Delaware Budget and Accounting Policy Manual. This policy establishes PCA's parameters for employees issued a Pcard and coordinators. The PCard shall only be used for the schools authorized purchases. PCA's employees involved or enrolled in the Pcard program must review and adhere to the guidelines set forth in the policy as well as State and PCA policies governing travel and purchasing procedures.

PROCEDURES: The following are procedures for PCA employees issued a PCard or managing PCA's PCard. Employees are responsible for reviewing and adhering to the procedures outlined in this policy to ensure full compliance.

Application of PCard

1. **Cardholder:** Designated employee who has been authorized by the Head of School, must complete the online PCard Enrollment form. The PCard usually arrives at the agency within 7-10 business days after the order for the PCard is placed.
2. **Coordinator:** Receives an email notification that an enrollment form is pending approval reviews the enrollment form for accuracy. If approved, the Agency/Back-up coordinator enters the Agency Head Designee's email address to submit the enrollment form into workflow.
3. **Card Type:** The Head of School assigns the type of card (purchase or travel) when a new card is issued

Possession of Card

1. The designated cardholder for PCA is the HR & Finance Manager.
2. The Head of School will verify the possession of the Pcard on a monthly basis.
3. The Pcard should be locked up in a secure location in the HR & Finance Office of PCA. Approval must be granted should the card need to be taken off campus for any reason.

Training Requirements

1. **Designated Card Holder:** Designated card holder must review and sign off that they will adhere to this policy implemented by PCA.
2. **Designated Reconciler:** Designated reconciler must review and sign off that they will adhere to this policy implemented by PCA.

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Activation of PCard

1. **Cardholder:** After receipt of the PCard, the cardholder must activate the PCard by calling the number listed on the sticker attached to the front of the PCard. When prompted, the cardholder must input the last 4-digits of his/her Social Security Number as their PIN. The activation of the PCard must be completed within 10 days from the date that PCA received the PCard; otherwise it will be placed on Null status. Null status is the act of temporarily deactivating the PCard and requires PCA to submit a request for activation to the DOA.

Card Security

1. **Cardholder:** The PCard is embossed with the cardholder's name and must **only** Be used by the cardholder. The cardholder is responsible for all charges to the PCard and must maintain the PCard in a secure location at all times. The PCard must only be used for PCA authorized purchases and cardholder must adhere to the purchase limit restrictions of the PCard. The cardholder must not accept cash, check or a merchant credit card for returned items in lieu of credit transaction to the Pcard account. Unauthorized use may result in removal of PCard privileges and disciplinary action up to the and including dismissal.
2. **Credit limit:** Limit of card shall not exceed \$5,000 a month. Any increase in credit limit must be approved by the Board of Directors.

PaymentNet

1. **Cardholder:** The cardholder is provided view only access to their account profile in PaymentNet. The cardholder is encouraged to view their account at least weekly to validate transactions and account status.
2. **Budget Unit Reconciler:** The Budget Unit Reconciler is assigned the "Auditor" role and provided view only access to cardholders assigned to their Budget Unit. The Budget Unit Reconciler accesses PaymentNet to monitor cardholder accounts and print Transaction Detail reports to include with the reconciled invoices submitted to PCA.

Internal Controls

The HR & Finance Manager is responsible for developing PCA's Internal Control Procedures and Policies for the management of the PCard program. These policies and procedures will go before the Board of Directors for final approval.

Authorized Uses:

1. Pre-approved supply request form completed with proper signatures.
2. Only when a check, or FSF approved vendor, is not applicable.

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Travel

- If an employee is attending a conference the Travel Authorization Form (AP006) must be completed and signed by the employee, supervisor and Head of School for the estimated expenses for the trip.
- The employee is informed they must obtain detailed receipts for all Travel Card charges.
- The Head of School sends an e-mail to the employee that was traveling, on the last day of the trip or the next business day, instructing them to immediately complete the Travel Expense Reconciliation Form (AP009) with the expenses incurred on the trip and to include the original itemized receipts.
- In the event that an itemized receipt is missing or lost, the employee must make every effort to contact the merchant to get a copy of the receipt.
- If the employee is unable to obtain the itemized receipt the Missing Receipt Affidavit (AP005) must be completed and signed by the cardholder and immediate supervisor. The Division of Accounting & Office of Management and Budget (OMB) approval are required for Travel Card transactions exceeding \$20.00. The affidavit must be submitted to within 30 days of the transaction to be considered for reimbursement.
- The Head of School reviews the Travel Expense Reconciliation form along with the receipts. The card holder and Head of School must sign the reconciliation. The charges are coded and verified in the PCard module in FSF.
- The Head of School assigns the type of card (purchase or travel) when a new card is issued

Unauthorized Uses:

1. Prohibited PCard purchases include, but are not limited to personal purchases, alcoholic beverages and movie rentals. If a purchase was erroneously made using the PCard, immediate reimbursement to the State is required. A copy of the receipt, reimbursement, check, deposit slip and detailed explanation must be submitted to PCA. Failure to provide the reimbursement information may result in removal of the PCard privileges and disciplinary action up to and including dismissal.
2. The PCard shall not be used to charge expenses for family members or others accompanying the employee on official State business, **even if the intention is to reimburse the State.** A cardholder who intentionally makes unauthorized purchases or accidentally uses the PCard is liable for the total dollar amount of the unauthorized purchase(s), plus any administrative fees charged by JP Morgan

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Chase (JPMC) Bank in the connection with the misuse. Failure to adhere to this may result in removal of the PCard privileges and disciplinary action up to and including dismissal.

3. Any purchase or transaction that has not gone through the pre-approval process as stated in the above Approved Uses.

Receipt Requirements

All PCard transactions, including travel (REFER TO CHAPTER 11 IN THE STATE BUDGET AND ACCOUNTING MANUAL), require itemized receipts and must be retained as proof of purchase. Itemized receipts must be provided to the designated Budget Unit Reconciler immediately. A missing receipt affidavit is not an acceptable substitute for an itemized receipt and will not be accepted as sufficient supporting documentation. However in extenuating circumstances, and with approval of the Head of School, the HR & Finance Manager may request approval to complete a Missing Receipt Affidavit (AP005) for consideration. Transactions without approved supporting documentation could require State reimbursement.

Credit Limit Adjustments

1. **Monthly credit limit:** Cardholder is assigned a monthly credit limit and is responsible for tracking monthly expenses to avoid credit declines. The approved credit limit is \$5,000 and can only be increased when approved by the Board of Directors.
2. **Credit limit adjustments:** The approved credit limit is \$5,000 and can only be increased when approved by the Board of Directors. Once the credit limit is approved by the Board of Directors the Coordinator will process the credit limit adjustment request by completing a PCard Change Request form (PO003), obtaining approval signatures and submitting the form to DOA. In addition to processing adjustment request from the card holder or reconciler, the Coordinator also conducts a quarterly review of spend analysis. Credit limit of account profile adjustments are processed as needed. The Coordinator will review the spending limit and available credit provided by DOA annually to determine if spending limits need to be modified.

Transaction Dispute

1. **Dispute:** If a transaction posts to the PCard and is found to be faulty or in error, the cardholder attempts to resolve the issue directly with the merchant first. IF the merchant is unresponsive by the end of the PCard billing cycle, the transaction must be considered for dispute and reported to JPMC Bank by calling 1-800-270-7760. The cardholder or reconciler coordinator must follow the instructions provided by DOA to dispute the charge and flag in FSF as a dispute.

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2. **Reconciler:** The Reconciler will assist in the dispute resolution process. The Reconciler must flag the transaction in FSF as “In Dispute”, and ensure the Transaction Dispute form is submitted to the Coordinator within one week.

Transaction Fraud

1. **Cardholder:** If a transaction posts to the PCard and is not recognized, it is considered fraud. Cardholder must immediately report the fraud to JPMC Bank by calling 1-800-270-7760. JPMC Bank will flag the Pcard account as “lost/stolen”, close the account and reissue a new PCard. Cardholder must notify the Coordinator. JPMC Bank Fraud Department. A copy of the signed affidavit must be sent to the PCA Coordinator as well. The cardholder or reconciler must follow the DOA instructions on how to dispute a PCard Transactions to flag the transaction in FSF as fraud.
2. **Reconciler:** The Reconciler will assist in the fraud resolution process. The Reconciler must flag the transaction in FSF as “Fraud”, and ensure the credit is reconciled when received from JPMC Bank. The reconciler Coordinator will utilize the information provided to notify DOA of the fraudulent activity.

Lost or Stolen PCard

1. **Cardholder:** The cardholder must immediately notify JPMC Bank at 1-800-270-7760 and the PCA reconciler coordinator. JPMC will close the current account and issue a new PCard with different account number. The replacement PCard is sent to the cardholder within 7-10 business days. If the previously reported lost/stolen card is found, the card must be destroyed as it is no longer valid.
2. **Reconciler:** The Reconciler Coordinator will receive the new replacement PCard from JPMC Bank, ensure distribution to the cardholder and obtain the cardholder’s signature for receipt of verification.

Reconciling of PCard

- All the credit card charges are kept in a folder. When ready to code documents a report is run in PaymentNet for each user that had charges.
- The reconciler pulls the charges from the credit card folder and notes on the report what each charge is for and if it references a purchase order.
- The reconciler codes the charges in the FSF PCard module with the appropriate coding and verifies the transaction. This should be completed on a bi-weekly basis at a minimum.
- Once all the transactions are verified, all the documentation is given to the PCard Approver listed in the “FSF Roles Table” for approval in the PCard module.

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- Once the charges are approved the reconciler runs the “DEU_PO_PCARD_TRANS_BY_EMPLID” query to get the payment voucher number.
- The reconciler then checks the transaction status in FSF to see if the voucher has been approved. If it has been approved the reconciler prints the approval screen.
- The reconciler runs the voucher detail report to get a copy of the payment voucher.
- If the charge was against a PO the transaction is recorded in the PO book and the balance of the PO is verified in FSF in the PO Activity Summary screen. If the balance of the purchase order is zero then the PO is closed.
- The entire Pcard reconciliation packet (Pcard statement, reconciled statement in FSF and all back up receipts and approval forms) will go through same approval process as vouchers and PO’s, which requires signatures from Head of School, Principal and a Board Member.
- These vouchers are kept in a separate folder until the end of the month and then the payment reference number is noted and a copy of the credit card statement is put with the vouchers as backup. Once this is completed the vouchers are filed with the rest of the processed documents

Separation Transfer

1. **Cardholder:** The cardholder must surrender the PCard and all receipts to the Reconciler Coordinator prior to separation from State employment or transferring to another State agency. Employees transferring within the Department may keep their PCard with approval of new supervisor or Administration.
2. **Reconciler:** The Reconciler Coordinator must reconcile pending transactions in FSF for the departing cardholder and send a request in writing to close the account.
3. **Deleting/updating cardholders:** The ISO of PCA will be responsible for deleting/updating any cardholders that separate from, or replace, the designated cardholder at PCA as it pertains to roles in FSF.

Approved by the Board of Directors February 28, 2017

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