

711: PCard Policy

I. Purpose:

- a. 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.

II. Policy Statement:

- a. 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.
- b. Authorized Uses:
 - i. Pre-approved supply request form completed with proper signatures.
 - ii. Only when a check, or FSF approved vendor, is not applicable.
- c. Unauthorized Uses:
 - i. 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.
 - ii. 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 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.
 - iii. Any purchase or transaction that has not gone through the pre-approval process as stated in the above Approved Uses.

d. Receipt Requirements:

- i. 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 Business & Finance Manager may request approval to complete a Missing Receipt Affidavit (AP005) for consideration. Transactions without approved supporting documentation could require State reimbursement.

e. Credit Limit Adjustments:

i. Monthly Credit Limit:

1. Cardholder is assigned a monthly credit limit and is responsible for tracking monthly expenses to avoid credit declines. The approved credit limit is \$10,000 and can only be increased when approved by the Board of Directors. During the summer months, the credit limit may be increased to \$25,000 with approval by the Board of Directors for the beginning of the school year purchases.

ii. Credit Limit Adjustments:

1. The approved credit limit is \$10,000 and can only be increased when approved by the Board of Directors. During the summer months, the credit limit may be increased to \$25,000 with approval by the Board of Directors for the beginning of the school year purchases. 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.

f. Transaction Fraud:

i. Cardholder:

1. If a transaction posts to the PCard and is not the recognized, it is considered fraud. Cardholder must immediately report the fraud to JPMC Bank by calling 1-800-270-7760. JPCM 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.

ii. Reconciler:

1. 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 JMPC Bank. The reconciler Coordinator will utilize the information provided to notify DOA of the fraudulent activity.

g. Lost or Stolen PCard:

i. Cardholder:

1. 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.

ii. Reconciler:

1. 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.

h. Separation Transfer:

i. Cardholder:

1. 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.

ii. Reconciler:

1. The Reconciler Coordinator must reconcile pending transactions in FSF for the departing cardholder and send a request in writing to close the account.

iii. Deleting/Updating Cardholders:

1. 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.

III. Responsibility:

- a. The Business & 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.

IV. Related Policies:

V. Related Procedures and Documents:

- a. PCard Procedure
- b. State of Delaware Budget and Accounting Manual Chapter 11 Travel:
<https://budget.delaware.gov/accounting-manual/documents/chapter11.pdf?ver=0724>
- c. State of Delaware Budget and Accounting Manual Chapter 12 PCard:
<https://budget.delaware.gov/accounting-manual/documents/chapter12.pdf?ver=0917>

Approval and Revision Dates

APPROVED BY THE BOARD OF DIRECTORS FEBRUARY 28, 2017

APPROVED BY THE BOARD OF DIRECTORS AUGUST 25, 2020