

To: Interested Procurement Card (p-Card) Users
From: Jim Scharff, IASBO Executive Director
Re: How To Get A p-Card Program Started in Your District
2015-2016



The Procurement Card (p-Card) program has been in operation since the 2007-2008 school year.. This memo is to update you on how to proceed and to furnish you with the documents you need to get started. Please read this memo carefully and e-mail me if you have any questions at iowaasbo@yahoo.com..

It is presumed you understand the concept of the purchasing card (p-card) and the related benefits. You may wonder as you read through the following documents why we are working through the Illinois ASBO and the Harris Bank (Bank of Montreal) rather than pursue the program independently. Your Iowa ASBO board did investigate the possibility of pursuing a sponsored program. The advantages of joining an established program far outweighed an independent project and include:

- a. Successful negotiations with financial and credit card companies for service and rebate %
- b. Large volume of cooperative efforts result in better rebate and fee schedules
- c. Legal assurances have been previously completed, and supported by IASBO legal counsel
- d. Proven track record of use by other states and districts
- e. Access to the service by small districts otherwise unable to participate on their own

STEP I

Enclosed is the sample "Resolution Authorizing Issuance of Individual Procurement Cards," which you can take to your Board as is OR modify it to meet the needs of your Board/School District. Please make sure you have the Board President sign and date the resolution. The state of Iowa requirement re: construction bidding is covered by the phrase "(not otherwise subject to the State's Competitive Bidding law)."

Attach a copy of the board minutes when the resolution was passed. Include the names of all board members.

STEP II

On the pdf file titled: "2- "Member Account Agreement" you will need to complete and attach to your application. **The language of this form may not be altered.** Please follow these instructions:

1. Section 1.1. Fill in the dollar amount you estimate will be the **largest amount your p-Card usage could reach in the heaviest month of use, i.e. if all cards were used to their monthly maximum spend.** The bank will not approve a monthly credit limit of less than \$15,000.00 with the maximum being the largest month's activity (excluding payroll and benefits). As with any credit card you are not expected to get to the monthly maximum and certainly do not want purchases rejected because the limit was set too low.

2. Section 10.2 Give the name, address, etc. of the person who should receive official notices of any program changes/amendments (this will probably be the Superintendent or Business Manager).
3. On page 12 Complete the information as Member - the Bank will sign and return a copy to the school district when the application is approved.
4. Schedule 1
 - ◆ **Item B:** During your card implementation training, you will choose a Monthly Billing Date of either the 5th or the 20th of each month. You will also elect to ensure payment within 7-14- 21 or 27 days of the statement (this can NOT be changed at a later date as the date is imbedded in each card). The Payment Due Date is a crucial decision, as you must assure payment within your selected days after the Monthly Billing Date Harris Bank will receive your payment (if you select the 5th as a Billing Date, Harris must receive your payment by the payment date each month or you will incur late payment charges).
 - ◆ **Item D:** List the name of the persons who will serve as the p-Card Administrator (and any who might be their assistant/back-up). You should always list at least two Program Administrators.

Sign. On pages 12, 14, 16

STEP III

Complete the “**Organization Authorization Controls Set-up Table**” and “**Organization Set-up Form**” forms. The first one provides indication to the bank and for your files any general district limits to be applied. There is no “cash advance” option so that must remain “0”. Most districts have chosen to NOT put categorical limits on the other listed categories but you may do so. Due to the increased use of internet ordering it has become ever more likely that vendors reside outside the U.S. and thus would require “Canada” and “all other countries” to be included. This is definitely a local decision.

A separate worksheet titled *Master Cardholder Spreadsheet* is at the end of this document for your use in planning for your card distribution. It will be needed when you request the cards and can be used for planning purposes prior to then.

The *Organization Set-up Form* is self-explanatory with some thought needed in determining your selection of a billing date to be either the 5th or 20th of the month in relation to your district board meeting for approval of bills. You will have your predetermined 7-14,21 or 27 days from that date to have payment submitted to the bank. Those districts that use ACH will gain a bit of rebate percentage by using the 7 day payment turn-around but it does require more attention to the dates for accommodation of Iowa Code sections 279.29 and 279.30.

STEP IV

The “*green form*” in this packet is a sample of the “**Individual Procurement Card Use Agreement**,” you may use or modify it for each employee who will receive a P-Card. They should sign this form when given a card.

As a reminder the Resolution and Exemplar p-Card User Agreement are samples. These forms should be edited/modified as needed based on the needs and policies of your individual school district. It is also recommended that your local legal counsel review the forms prior to approval by your school district to ensure they reflect your school district's policies, rules and regulations.

Electronic copies of all forms may be available for download at the Iowa ASBO website. Those forms that must be completed in the original form are in "fillable" pdf format and those forms which may be modified to your specific district are in word format.

If you want indemnification language in the agreement the following is offered as a possibility:

Employee hereby agrees to indemnify and hold harmless the District from any and all claims, liabilities, penalties, damages, attorneys fees, interest or expenses incurred by or asserted against the District because of Employee's intentional misuse of the p-Card in violation of applicable board policies, procedures and this Individual Procurement Card Use Agreement.

STEP V

Once you have completed/signed/dated the above referenced documents, send them to:

IASBO p-Card Application
c/o Jim Scharff
IASBO
62 Hidden River Ct
Tipton, IA 52772

Documents to send:

1. "Resolution Authorizing Issuance of Individual Procurement Cards"
2. "Member Account Agreement"
3. "Organization Authorization Controls Set-up Table"
4. "Organization Set-up Form"

STEP VI

Once your cards begin to be used for purchasing, the implementation officer of the bank will schedule a training session to explain how to access information about card utilization and explain all of the reporting options that are available. **There is no special hardware or software needed to support this program - only an internet connection - there are no costs or fees to the school district for this service.**

Other Information

A copy of a Power Point presentation that explains the basics of a p-Card that you can use with your Board of Education and/or employees who will be using the Card may be accessed at the Illinois ASBO website. This Power Point is updated regularly and can be viewed or downloaded from the Illinois ASBO website. www.illinois-pcard.com.

This is a great opportunity for school districts. Your use of the program will improve operations and strengthen the internal controls for school business management functions and tasks in your

school.

Note: The rebates generated by the p-Card program will be paid to Illinois ASBO. Illinois ASBO will distribute rebate shares to the Iowa ASBO and other participants, less program expenses and administrative overhead/sponsorship fees. Rebate amounts will depend on the volume of usage by all participating school districts and will be nominal (probably in the area of one percent or more of total usage).

ITEMS TO SUBMIT WITH THE APPLICATION:

- 1 – Board resolution – signed
- 2 – Board minutes – include names of all board members
- 3 – Member account agreement (pdf form) – signed where indicated

Next steps

or

Now that I have sent in all this paperwork, what happens next?

Once Iowa ASBO has received all of the necessary materials and application, they will be reviewed, signed and sent to the BMO Harris Bank (Bank of Montreal). After you have passed through AML and Credit you will move on to implementation.

Next you should receive a “Client Implementation Guide” from Harris/BMO, which is very user-friendly. Shortly after receiving this guide, a Webinar training session with your p-Card Administrator will be conducted via telephone conference call.

The initial training of your Program Administrator will be scheduled on a first come, first served basis, and in most cases will involve a 30-45 minute telephone/Webinar session. Your implementation packet and online training component will round out what you need to know to get cards issued and being used.

Cards are customized and ordered online and delivered to your p-Card Administrator.

This is a great opportunity for school districts. Your use of the program will improve operations and strengthen the school business management functions and tasks in your school.

Contact Holly Wallace by phone at 815.753.9083 or by email at hwallace@iasbo.org any time you have questions.

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RESOLUTION AUTHORIZING ISSUANCE OF
INDIVIDUAL PROCUREMENT CARDS
TO BE SUBMITTED WITH APPLICATION

WHEREAS, the Board of Education of the _____
School District has the authority to enter into an agreement with the Bank of Montreal for
purchasing cards.

NOW, THEREFORE, BE IT RESOLVED by the Board of Education of the _____
School District that the Superintendent / Board Secretary / Business Manager are
authorized to enter into an Agreement with the Bank of Montreal to secure Procurement
Cards for each authorized employee of the school district under such terms and conditions
as approved by the Board.

The Board of Education/Trustees, authorizes the Superintendent / Board Secretary /
Business Manager to execute a p-Card program agreement on its behalf.

Approved this _____ day of _____ 20__ .

Ayes ___

Nays ___

President Signagure: _____

President printed / typed Name: _____

Date: _____

For local district use only – NOT to submit with application documents

Individual Procurement Card Use Agreement

AGREEMENT made this _____ day of _____, 20____, between the _____ Community School District, _____ County(ies), Iowa (hereinafter the "District"), and _____, residing at _____ (hereinafter the "Employee").

WITNESSETH:

WHEREAS, by this Agreement the Employee has been entrusted with a procurement credit card ("p-Card") for use in the purchase of goods and services solely and exclusively for the authorized business purposes of the District; and

WHEREAS, the Employee agrees to abide by the terms and conditions of the p-Card as set forth herein.

NOW, THEREFORE, consideration of the mutual covenants and conditions set forth herein, it is agreed by the District and the Employee as follows:

1. The Employee hereby agrees to immediately return the p-Card to the District upon request.
2. The Employee shall not use the p-Card for the purchase of any goods or service that is not authorized by the terms of this Agreement or by the direct written approval of the _____ (insert name and position of appropriate p-Card Administrator) ("**p-Card Administrator**").
3. Employee shall submit receipts and such other reasonable documentation of goods or services purchased as requested by the p-Card Administrator.
4. Employee shall promptly review monthly p-Card transaction statements for accuracy and shall within ten (5) days of receipt of the statement; notify the p-Card Administrator of any errors, omissions or discrepancies in the statement.
5. Employee shall immediately notify the Bank of Montreal ("Bank") in the event of a possible loss, theft, or unauthorized use of the Card by notifying the Bank by phone at (800) 361-3361 or by fax notice to the Bank at (888) 224-5394. Employee shall also immediately notify the p-Card Administrator of possible loss, theft, or unauthorized use of the Card.
6. Attached herewith and incorporated by reference herein is a *Statement of Authority* of p-Card use that sets forth the authority and express limits of authority of Employee's use of the p-Card.
7. Utilization of the p-Card must be within annual budget parameters and consistent with applicable Board policies and procedures.
8. The p-Card may not be utilized to circumvent State and District competitive bid laws and policies.
9. This Agreement may not be modified in anyway without the approval of the District.

IN WITNESS WHEREOF, the parties hereto have made and executed this Agreement the day and year first above written.

_____ COMMUNITY SCHOOL DISTRICT

By: _____
Superintendent

Attest: _____
p - card administrator

EMPLOYEE

For local district use only – NOT to submit with application documents

Statement of Authority
for each card issued

_____ COMMUNITY SCHOOL DISTRICT

Name _____ Position _____

Location: _____

Limit per Transaction: \$ _____

Credit / charge limit of \$ _____ per month / year (circle appropriate period)

Account(s) to be charged:

Authorized Vendors:

Goods and services authorized to be purchased using the district procurement card:

Employee signature _____ date: _____

For local district use only – NOT to submit with application documents

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_____ COMMUNITY SCHOOL DISTRICT
Procurement Card Program (p-Card)

Program Objective: Replace the utilization of purchase orders for purchases of less than \$_____, internet purchases or purchases from vendors.

Parameters for use:

- Cards may only be utilized for school district purchases
- A proper audit trail must be maintained showing:
 - Requesting employee
 - Administrative Authorization
 - Itemized receipt or packing slip

Program Features

- The cards resemble and operate like credit cards, but may **not** be used as ATM or debit cards.
- The cards are programmed with the individual per transaction limits, transaction limits and/or vendor restrictions
- Utilization and usage parameters can be managed via the internet
- The School District will receive a small rebate on card purchases and may pay fees for late payment of monthly statements

Process for Utilization:

1. Obtain an authorized requisition
2. Ask for and retain itemized receipts or packing slips for all transactions
3. Review monthly statements and complete the Procurement Card Expense Record by:
 - Indicating the account number to be charged
 - Explaining the justification for the expense
 - Attaching the itemized receipt or packing slip
4. Submit completed Procurement Card Expense Record to the Purchasing Department within 5 days of receipt of statement

Procurement Card Expense Record

Submit by _____

_____ Community School District

Name _____

Attach statement and receipts to the back of this form

Billing Period _____

Date of Charge	Account Number	.Amount	Vendor Name	Justification for Expense
		\$		
		\$		
		\$		
		\$		
		\$		
		\$		
		\$		
		\$		
		\$		
		\$		
		\$		
		\$		
Total Charges on Statement		\$		

Cardholder Signature _____

Administrator Signature _____