ERIE COUNTY TECHNICAL SCHOOL

PROPOSED AGENDA ITEM

DATE: February 24, 2005

SUBJECT: Board Policy 625 -Procurement Cards

INITIATED BY: Paul Fritz, Business Manager

DESCRIPTION:

ECTS began a procurement card system for purchasing activities in May 2005, with Operating Committee approval. However, through the audit process with the state auditors from the Auditor General it was brought to our attention that ECTS Board Policies were not updated to include the additional of procurement card program.

ECTS had previously updated the ISO policies, procedures, and instructions to include use of the cards.

The attached policy is presented for your consideration. The policy is very closely modeled from a sample developed by PSBA.

(Board Policy Formulation is Policy No. 009)

RECOMMENDATION:

Board Policy 625 is presented for Operating Committee review at this meeting, with subsequent adoption at the March 24, 2005 meeting.

ERIE COUNTY TECHNICAL SCHOOL

SECTION: FINANCES

TITLE: PROCUREMENT CARDS

ADOPTED:

REVISED:

	625. PROCUREMENT CARDS
1. Authority SC 510	The Operating Committee approves the use of a procurement card process for permissible purchases and vendor payments by designated employees to: • Improve the efficiency of purchasing and payment activities, • Reduce processing expenses of producing requisitions, purchase orders, and checks. • Improve controls for small-dollar purchases, and • Streamline vendor payment. The Operating Committee directs the administration to establish safeguards to prevent misuse of such cards. The Operating Committee shall approve the list of employees authorized to use technical school procurement cards. The Operating Committee shall purchase adequate insurance coverage for procurement card misuse.
2. Definition	Procurement card – an organizational purchasing card designed to reduce the cost and bureaucracy of purchasing and vendor payment activities.
3. Delegation of Responsibility	A list of authorized users of procurement cards shall be maintained in the business office and shall include employees in designated positions. All use of procurement cards shall be supervised and monitored on a regular basis by the Business Manager, who shall ensure the use of such cards is in accordance with the funds budgeted for this purpose. Proper accounting measures for the use of procurement cards shall be developed, distributed, implemented, and monitored by the Business Manager.

	An employee authorized to use a procurement card shall maintain adequate security of the card while it is in his/her possession. Under no circumstances may the card be used by another individual.
4. Guidelines	Each employee using a technical school procurement card shall sign a card usage agreement and receive training on applicable policies and procedures.
	Procurement cards shall be used only for authorized technical school purchases and shall not be used for personal purchases. The technical school retains the authority to revoke any procurement card used for unauthorized or personal purposes.
Pol. 317, 417, 517	Violations of this policy by an employee shall result in disciplinary action, in accordance with Operating Committee policy.
	The established procedure for processing purchases by employees using procurement cards shall be as follows: • Employee deals directly with the vendor. • Business office receives the consolidated invoice for payment. • Cardholder verifies receipt of purchased items, reconciles the billing statement with purchases, and attaches receipts. • Supervisor reviews statement and signs approval.
	Purchases on his/her assigned procurement card by an individual employee shall not exceed the billing or budget cycle limit, or declining balance limit as assigned by the Business Manager.
	The following list includes but is not limited to items authorized for purchase, without obtaining bids or quotes, by employees using procurement cards: • Stationery, office supplies. • Repair services and parts • Computer hardware • Food for use in curriculum and school related meetings. • Food and specialty items for Food Service.

	• Instructional supplies • Textbooks and software • Utilities • Contracted services • Career and Alternative Education Program supplies and food • Gasoline for school owned, leased and rented vehicles.
SC 751, 807.1 Pol. 610, 611	Procurement cards shall not be used to circumvent the required bidding process. Purchases over $4,000.00 require quotes and/or bids in accordance with established Operating Committee policy and procedures. Payment to the vendor for these items over $4,000 may be made with a procurement card upon approval of the Business Manager.
SC 751, 807.1	Procurement cards shall not be used for purchases that could be anticipated at the beginning of the school year and would circumvent the required bidding process.
School Code 510, 751, 807.1 Operating Committee Policy 317, 417, 517, 610, 611	

ERIE COUNTY TECHNICAL SCHOOL
PROPOSED AGENDA ITEM

BOARD MEETING DATE: May 27, 2004

SUBJECT: Procurement cards

CATEGORY: Operations: X Policy: Information: Personnel:

INITIATED BY: Paul Fritz, Business Manager and Board Secretary

DESCRIPTION:

A PNC Bank procurement card program is being proposed for board approval. This will enable our staff to purchase supplies in a improved and efficient manner. Each staff person with purchasing responsibilities will be issued a VISA PNC purchasing card to buy appropriate items for school use. The individual cards will have spending limits and the purchases will be linked to general ledger accounting codes. The accounting data will be downloaded into the ProSoft accounting system.
A detail of all purchases will be accessible on-line for review/approval and once a month PNC Bank will debit the bank account for the total charges. VISA PNC Bank offers rebates at certain purchasing activity thresholds.
We hope to eliminate: much of the printing of purchase orders and checks, duplication of effort, and stress with the implementation of this program.
We can eliminate current charge account programs currently in use at Bank One Visa, Wegman's, Home Depot, and Lowe's

RECOMMENDATION:

Motion to approve a PNC VISA procurement card program for staff to use when purchasing appropriate items for school use.

Erie County Technical School

PNC VISA Commercial Card

Employee Usage Agreement

Your participation in the ECTS/PNC Visa Commercial Card Program is a convenience that carries responsibilities. Although the card is issued in your name, it should be considered ECTS property and should be used with good judgment. Your signature below verifies that you understand the ECTS and PNC Visa Commercial Card Program guidelines outlined below and agree to comply with them.

1. The ECTS/PNC Visa Commercial Card is provided to employees based on their need to purchase school-related goods and services and/or travel expenses. A card may be revoked at any time based on change of assignment or location. The card is not an entitlement nor reflective of title or position.

2. The card is for school-related purchases only; personal charges are not to be made to the card.

3. You are the only person entitled to use the card and are responsible for all charges made against the card.

4. Improper use of the card can be considered misappropriation of school funds that may result in disciplinary action, up to and including termination.

5. All charges are billed directly to and paid directly by ECTS. Any personal charges on the card could be considered misappropriation of school funds since the cardholder cannot pay the bank directly.

6. Cardholders are expected to comply with internal control procedures in order to protect school assets. This includes keeping receipts, reconciling PNC Visa Commercial Card monthly memo statements and following proper card security measures. Original receipts must be given to the Accounts Payable secretary to document each purchase.

7. Cardholders are responsible for reconciling their PNC Visa Commercial Card monthly memo statement and resolving any discrepancies by contacting the supplier first and then the bank.

8. Each account is assigned a budget accounting code by the Business Manager and purchases will be automatically charged to that code. The code can only be changed by the Business Manager. If changed, a new accounting code does not affect past charges, only future charges.

9. A lost or stolen card should be reported immediately by telephone to PNC Bank Customer Service at 1-800-685-4039. This number is available 24 hours a day/7 days a week.

10. A cardholder must surrender the card upon termination of employment (i.e. retirement or voluntary/involuntary termination). At this point no further use of the account is authorized.

11. Purchases must always comply with PA school code regarding spending amount limits. Purchases totaling between $4,000 and $9,999 require three (3) written quotes. Prior approval by ECTS administration is required before purchasing.

12. Purchase of equipment that costs over $500 is considered capital equipment and requires prior approval of ECTS administration. Refer to the capitalization policy.

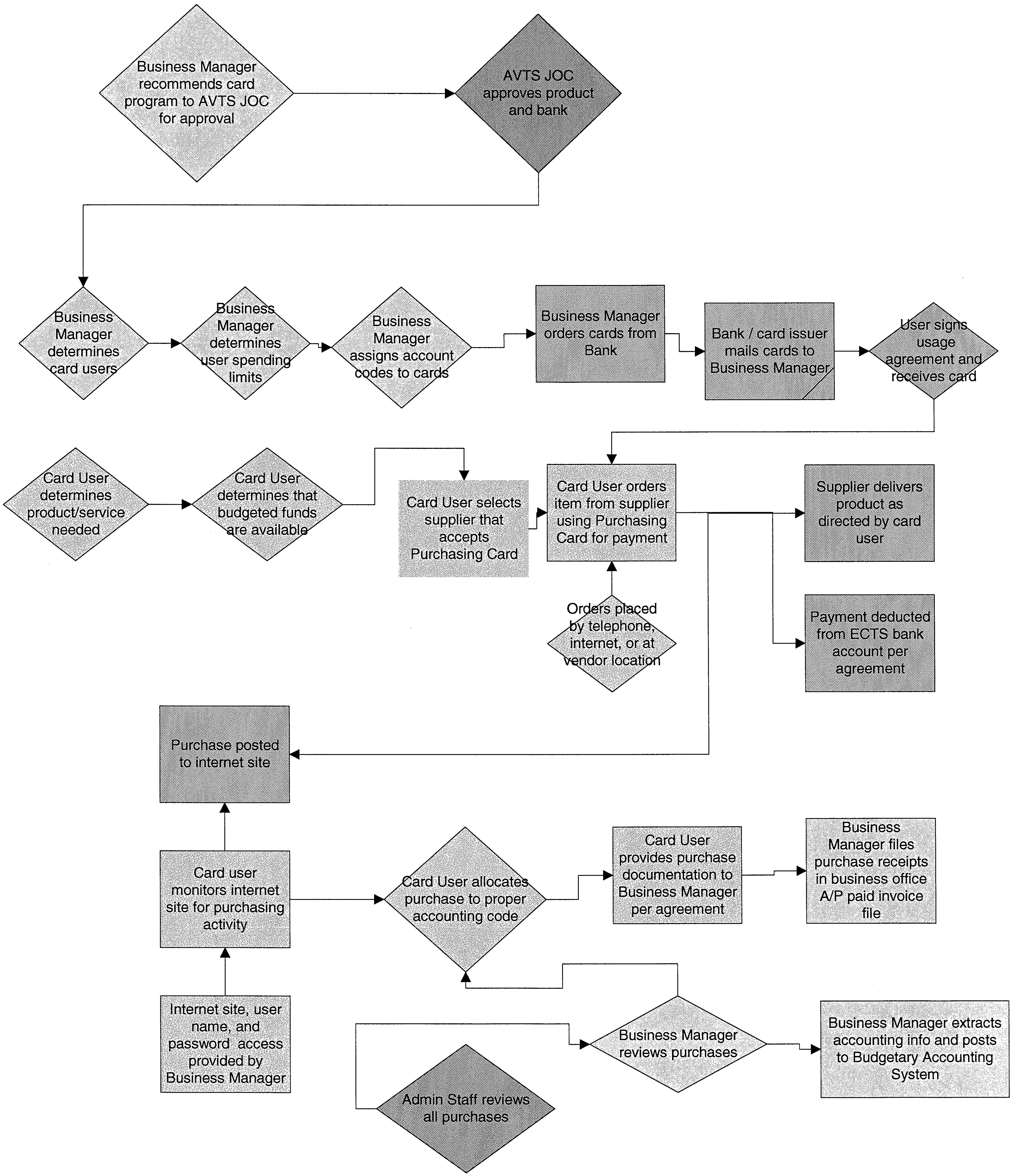
13. Purchases of equipment or repairs of $10,000 or more require solicitation of bids by the Business Manager and approval by the Operating Committee.

14. Cardholders have spending limits assigned to their cards. It is each cardholder's responsibility to purchase within the card limits, as well as the approved budget for the account code. Cardholders are to monitor the budget account code available balance before making purchases with the card.

15. Purchases are exempt from PA sales and use tax. Inform your vendor that the PA sales tax exemption number is 76-25280-3. This number is printed on the sticker on your card. Sales tax exemption certificates, if required by the vendor, are available from the Accounts Payable secretary in the Business Office.

Cardholder Signature	Authorized Company Representative Signature
Cardholder printed or typed name	Authorized Company Representative printed or typed name
DATE	DATE

Erie County Technical School Purchasing Card



ERIE COUNTY TECHNICAL SCHOOL

SECTION: OPERATING COMMITTEE PROCEDURES

TITLE: POLICY FORMULATION

ADOPTED: December 19, 1996

REVISED: November 19, 2002

	009. POLICY FORMULATION
1. Guidelines	The Joint Operating Committee shall follow these guidelines for final adoption of school policies: a. Policy drafts are to be initially reviewed by the policy committee or the Joint Operating Committee as a whole. b. The first reading of the policy is to occur at a regular meeting of the Joint Operating Committee. c. Notification of intent to adopt policies which affect employees shall be posted and copies distributed to employees prior to adoption. d. The second and final reading of the policy is to occur at the regular Joint Operating Committee meeting. The policy may be adopted at the meeting at which the second reading occurs.