



# **CREDIT CARD PROCEDURES**

**REVISED FEBRUARY 2016**

# Independence School District Credit Card Procedures

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Program Res

# **1. INTRODUCTION**

The Independence School District has entered into an agreement with Commerce Bank to provide qualified District employees with an Independence School District Credit Card. This program is specifically designed to increase efficiency in the processing of selected purchases. ISD Credit Cards can be used anywhere VISA is accepted, except for unauthorized vendors that have been specifically blocked from use by District staff. An ISD Credit Card may be used to acquire goods or services if a vendor does not accept a purchase order, in the event of an emergency purchase, postage, travel, registrations, and for efficiency in ordering and to take advantage of certain discounts and rebates as well as online purchasing.

The ISD Credit Card is to be used in accordance with the guidelines established within this manual. You are asked to treat this program with the same sense of responsibility and security you would use with your personal credit cards. **The credit cards are NOT intended to circumvent the appropriate purchasing, approval or payment process and are not for personal use or unauthorized purchases.**

All ISD Credit Cards are issued through the Deputy Superintendent of Operations office. Card usage will be audited and may be rescinded at any time. The cardholder is the only person authorized to use their card. Upon receipt of your card, a Site Credit Card Processor will schedule a training session. After completion of the training session, you will receive your ISD Credit Card. A master credit card list including all employees provided with a credit card will be maintained by the Credit Card Administrator.

Record keeping is essential to ensure success of this program. As with any transaction for District purposes, you must retain the **ORIGINAL ITEMIZED** receipts for all transactions.

**Finally, each time you use the ISD Credit Card, you are spending District/public funds and will be required to document the business/school purpose of each purchase.**

## **2. CARD PROCEDURES**

### **A. How to Obtain A Card:**

- Determine with your supervisor the business needs for you to obtain an ISD Credit Card.
- Complete the top portion Credit Card Request Form (Appendix A).
- Submit the form to your supervisor for approval and to establish a requested weekly level limit for your card and time period requested. Transaction levels are authorized by the Program Administrator.
- Available Transaction Levels:

<b>Level</b>	<b>Weekly Limit</b>
A14	\$500
B14	\$1,000
C14	\$2,500
D14	\$5,000

### **B. How to Cancel A Card:**

- If you no longer need use of the ISD Credit Card, contact the Deputy Superintendent for Operations office for card cancellation and instructions for card disposal.

### **C. Card Renewal:**

- Annually the Credit Card Administrator reviews the cardholder list and credit limits for continuation, adjustment, or cancelation based on needs. Renewal cards are mailed to the Credit Card Administrator. You will be notified when the new card is available for pick up from the Deputy Superintendent of Operations office.

### **D. How to Report a Lost or Stolen Card:**

- If a Credit Card is lost or stolen, **immediately** notify Commerce Bank at **1-866-500-8262**. Representatives are available 24 hours a day, seven days a week. Advise the representative that the call is regarding a VISA ISD Credit Card. Prompt action in these circumstances is very important to reduce the District's liability for fraudulent charges.
- Notify Rhonda Ogle or Annette Miller @ 816-521-5300 after discovering the card missing.
- The cardholder shall also notify their administrator of the lost or stolen card within one (1) working day after discovering the card missing.
- If a card that has been reported lost or stolen is subsequently discovered by the cardholder, notify the Program Card Administrator in the Deputy Superintendent of Operations office.

E. Cardholder Separation from Service:

- Prior to separation from the District, the cardholder shall surrender the ISD Credit Card and current cardholder report and receipts to their administrator. The administrator shall forward the card and the transaction envelope to the Business Office for reconciliation with the next statement.

F. Credit Card Security:

- Always keep the card in a safe place. If you're not going to carry your card with you, make sure it is in a secure, preferably locked, location.
- District-issued Credit Cards will have the cardholder's name embossed on the front of the card and shall **ONLY** be used by the cardholder. **NO OTHER PERSON IS AUTHORIZED TO USE THE CARD.** The cardholder is responsible for all valid transactions procured with their card. Cards and card numbers must be safeguarded against use by unauthorized individuals in the same manner that a cardholder safeguards their personal credit information. Although the Card is issued in an individual's name, it is the property of the Independence School District.

G. Card Cancellation:

- The District reserves the right to cancel any card at any time. Cardholders who misuse the ISD Credit Card are subject to their card being cancelled.
- Misuse of the ISD Credit Card is defined as:
  - Use of the card for personal purchase(s)
  - Purchase of unauthorized item(s)
  - Use of the ISD Credit Card by someone other than the cardholder
  - Fraudulent or inaccurate record keeping
  - Failure to obtain original, itemized receipts
  - Failure to reconcile the weekly statement
  - Failure to submit required documentation
- Cardholders who use the ISD Credit Card for personal and/or unauthorized use are subject to disciplinary action and/or termination.

### **3. ACCEPTABLE ISD CREDIT CARD PURCHASES**

The following information provides examples of purchases that are appropriate for the ISD Credit Card:

- Travel pertaining to conference expenses
- Registrations
- Emergency purchases
- Fed Ex/UPS/USPS and other postage or shipping charges
- Required for special discounts or rebates
- Online purchasing such as Amazon.com
- Vendor that does not accept a traditional purchase order
- Other miscellaneous items that apply to your program or budget

This list is not intended to be all-inclusive. If you have specific questions, please call the Business Office for assistance.

**NOTE:** Your ISD Credit Card does NOT change the approval process for making purchases. A purchase order will still be required before you make the purchase. Your supervisor must be made aware of and approve any purchases prior to conducting the transaction. Purchases may also require the cardholder to obtain quotes or bids to determine the vendor providing the best pricing. Documentation of quotes/bids must be included with the weekly cardholder envelope reconciliation. The Business Office may request additional supporting justification for larger purchases in order to satisfy audit requirements.

### **4. UNACCEPTABLE ISD CREDIT CARD PURCHASES**

The appropriateness of purchases will be monitored weekly by the card approver and accounts payable. The following items define where the ISD Credit Card is NOT appropriately used.

- Alcoholic beverages
- Tobacco
- Lottery Tickets
- Cash Advances/ATM
- Entertainment Except for Student Field Trips
- Gift Certificates/Gift Cards/Group-ons
- Computer/Computer Equipment without appropriate approval from Technology

- Gratuity exceeding the District's limit of 18%

This list is not intended to be all-inclusive. If you have specific questions, please call the Business Office for assistance.

## **5. PROGRAM RESTRICTIONS**

- Each ISD Credit Card has been assigned a transaction credit limit determined by the Program Administrator. Limit changes must be submitted by e-mailing a completed Credit Card Request Form (Appendix A) or phone (in emergencies) to Rhonda Ogle in the Deputy Superintendent of Operations office by the supervisor of the cardholder. Limits can be adjusted permanently or temporarily according to your needs and authorized by the Program Administrator.
- The ISD Credit Card will be accepted for purchases of generally approved commodities. Businesses and services determined not to offer products commonly accepted for the Independence School District's use have been blocked from accepting the ISD Credit Card. The blocking of merchants is accomplished through the use of Merchant Category Codes, which is used in the authorization and settlement systems to identify the type of merchant.
- Levels of credit authorization are in place to clearly define the individual purchasing limit controls. Each cardholder will have a transaction limit. Transactions falling outside the assigned level will be declined at the point of sale.
- If your card is declined by a merchant and you feel the decline should not have occurred, contact the Deputy Superintendent of Operations office.

## **6. CARDHOLDER RESPONSIBILITIES**

### **A. Training:**

- Training for ISD Credit Card use and allocation of purchases is required and will be provided by the Site Credit Card Processor **prior** to an ISD Credit Card being issued to the cardholder.
- During the training session, cardholders must read and sign the Acknowledgement of Receipt of the Independence School District Credit Card and Terms of Revocation Form (Appendix B) prior to the card being issued. The signed form is to be submitted to the Deputy Superintendent for Operations office for filing.
- When the ISD Credit Card is received, the cardholder must immediately sign the back of the card.

B. Making A Purchase:

- When utilizing the card to purchase supplies and materials, the cardholder will check as many sources of supply as reasonable to assure best price and delivery. Please be sure to ask/verify the District's discount from vendors and to ask for any applicable cash discounts. The cardholder will follow the procedures for purchasing outlined in the District's Purchasing Procedures Manual.
- The cardholder should advise the vendor of the District's tax exempt status and should not pay Missouri sales tax on Missouri purchases.
- If the order is purchased by mail, fax, telephone or internet, the merchandise must be sent to the cardholder placing the order. The item(s) should be received prior to approval for payment.
- Orders should be shipped to you at your ISD building. Please be sure to include the name of the school in the shipping address. The *billing* address will always be the Central Office address (below). Orders should not be shipped to home addresses.
- If billing information is required for your purchase, the **billing address** for the ISD Credit Card is:

**201 N. Forest Ave.  
Independence, MO 64050**

C. Making A Return:

- If an item is not satisfactory, received in error, damaged, defective, duplicate order, etc., the following steps should be followed:
  - A. The cardholder makes contact with the vendor to obtain authorization to return item(s). Every vendor is different for return policies; make sure the return meets their criteria for return without incurring a restocking fee or shipping and handling fees. If available, the item(s) to be returned should be re-packed in original manufacturer's carton.
  - B. For local orders, take the original receipt with product in original manufacturer's carton back to the vendor. If receipts have already been submitted, contact the Site Credit Card Processor for the original receipt to be returned to you.



- C. The original receipt and credit voucher must be given to the Site Credit Card Processor to attach to the cardholder envelope.
- D. If a vendor has not replaced or corrected the item by the statement cutoff date, then the purchase of that item will be considered in dispute. Documentation about the transaction will need to be provided with the weekly cardholder envelope reconciliation report.

D. Cardholder Recordkeeping:

- Recordkeeping is an essential component of the ISD Credit Card program. Standard auditing procedures require retention of receipts and other documentation. As with any transaction for District purposes, you must retain the **original itemized** sales slips, cash register receipts, invoices, order forms and receiving documents.
- If you purchase via telephone or mail, require the merchant to include a receipt with the goods when the product is shipped to you or request the merchant fax a receipt to you. If that is not possible, you must obtain a packing slip when the shipment is received to document the purchase.
- A weekly transaction envelope (Sample in Appendix C) with the cardholder's transactions listed and all documentation of transactions must be retained by the Site Credit Card Processor. Payment will be made using the electronic receipts attached to each transaction through the Control Pay Advanced site. If proper documentation was not provided, Accounts Payable will contact the cardholder.

E. Statement Reconciliation:

- Cardholders will not receive a weekly paper statement but rather the transactions charged will be available for review and allocation on the website provided. The Site Credit Card Processor will electronically upload/attach the cardholder's receipts, the cardholder will review and submit the reconciled envelope, and the envelope will be electronically forwarded to the appropriate approver then Accounts Payable for payment processing.
- Reconciled, electronic approved cardholder envelopes and appropriate documentation are due to the Business Office by Wednesday of the week following the date of the transactions. The Site Credit Card Processor will retain the original documents.

F. Missing Receipts:

- If a transaction receipt is misplaced or not received; the cardholder is responsible for contacting the vendor and obtaining a duplicate copy of the receipt. Notice of missing receipt must be commented on the cardholder report. After the duplicate receipt is received, send the receipt to the Business Office with your name and the week of the transaction.

#### G. Sales Tax:

- Missouri purchases of items by public schools for their own use are generally exempt from sales tax. The exemption applies to the school, not the individual making the purchase. Vendors outside the State of Missouri may exempt school district purchases from sales tax but are not required to do so. **It is the cardholder's responsibility to notify the merchant that the Independence School District is tax exempt. The Missouri state tax exempt number is 12541931. A copy of the tax exempt form is included in Appendix E.**

If sales tax is charged, the cardholder should:

- Contact the vendor to have a credit processed on the cardholder's ISD Credit Card. Include the receipt and document on the cardholder envelope. If the vendor is providing a credit transaction and the credit is not issued by the due date for submitting the weekly cardholder envelope, complete the "Credits Due Form" (Appendix D) and submit with the cardholder envelope.
- The vendor may reimburse the sales tax by paying the cardholder in cash. If cash is received, it should be given to the secretary and deposited into the same account code as the original expense. Then send a copy of the cash receipt to the Business Office with your name and the week of the transaction.
- The cardholder may choose to pay the sales tax from their personal funds.

It is not the intent of the District for employees to pay sales tax but rather the vendor honor their obligation to exempt the District from Missouri sales tax.

#### H. Disputed Charges:

- Disputed billing can result from failure to receive goods or materials, fraud or misuse, altered charges, defective merchandise, incorrect amounts, duplicate charges, credits not processed, etc.
- The cardholder is responsible for contacting and following up with the vendor on any erroneous charges or disputed charges as soon as possible. Most issues can be resolved this way.
- Fraud should be reported immediately to Rhonda Ogle.

#### I. Transactions Not Appearing on Statement:

- If purchased items or credits are not listed on the weekly reconciliation, the appropriate transaction documentation shall be retained by the cardholder until the next weekly reconciliation. If the purchase or credit does not appear on the statement within 60 days after the transaction date, the cardholder shall notify the Business Office for assistance in resolving the issue.

## 7. CREDIT CARD CONTACT INFORMATION

TO REPORT  
LOST OR STOLEN CARDS

COMMERCE BANK  
1-866-500-8262

### Deputy Superintendent of Operations Office

CREDIT CARD  
ADMINISTRATOR  
PHONE  
E-MAIL

RHONDA OGLE  
816-521-5300  
[Rhonda\\_Ogle@idschools.org](mailto:Rhonda_Ogle@idschools.org)

BACKUP CREDIT CARD  
ADMINISTRATOR  
PHONE  
E-MAIL

ANNETTE MILLER  
816-521-5300  
[Annette\\_Miller@idschools.org](mailto:Annette_Miller@idschools.org) (Contact if  
Rhonda Ogle is not available)

PROGRAM ADMINISTRATOR  
PHONE  
E-MAIL

DR. LANCE STOUT  
816-521-5300  
[Lance\\_Stout@idschools.org](mailto:Lance_Stout@idschools.org)

### Business Office

ACCOUNTS PAYABLE  
PHONE  
E-MAIL

Group  
816-521-5413  
[Accounts\\_Payable@idschools.org](mailto:Accounts_Payable@idschools.org)

TRAINER FOR SITE  
CREDIT CARD PROCESSOR  
PHONE  
E-MAIL

JUDY LUCE  
816-521-5361  
[Judy\\_Luce@idschools.org](mailto:Judy_Luce@idschools.org)

### Site Personnel

SITE CREDIT CARD  
PROCESSOR

BUILDING/DEPARTMENT BOOKKEEPER

BUDGET AGENT

BUILDING/DEPARTMENT ADMINISTRATOR

APPENDIX A

# Independence School District

## CREDIT CARD REQUEST FORM

Use this form to request an ISD Credit Card. This form should be completed by typing in the fields on the top portion, then print and request your supervisor to complete the bottom section. Following approval from your supervisor, forward this form to the Deputy Superintendent for Operations Office for processing. After your card arrives, a Site Credit Card Processor staff member will contact you to schedule a brief orientation/training session including instruction on how to allocate and approve your weekly transactions. Note: Requests for limit levels changes are processed upon request of the cardholder's supervisor.

Employee Number: \_\_\_\_\_

**NOTE:** Please enter your name as it appears on your legal identification.

Employee Name: \_\_\_\_\_

Building/Work Location: \_\_\_\_\_

Department: \_\_\_\_\_

Administrator/Supervisor: \_\_\_\_\_

Employee Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**This section to be completed by the Administrator/Supervisor**

Limits and time period needed for the ISD Credit Card are recommended by the cardholder's supervisor and should be based upon the business needs for that individual. I acknowledge and approve the ISD Credit Card request for the employee named above and recommend the weekly limit and time period below:

Check One	Level	Weekly Limit
<input type="checkbox"/>	A14	\$500
<input type="checkbox"/>	B14	\$1,000
<input type="checkbox"/>	C14	\$2,500
<input type="checkbox"/>	D14	\$5,000

Check One	Time Period Requested for Limit
<input type="checkbox"/>	Permanent/On-going
<input type="checkbox"/>	Temporary Range Start Date _____ End Date _____

Administrator/Supervisor Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Program Administrator Signature: \_\_\_\_\_ Date: \_\_\_\_\_

APPENDIX B

## Independence School District

<p><b>ACKNOWLEDGEMENT OF RECEIPT OF THE INDEPENDENCE SCHOOL DISTRICT CREDIT CARD AND TERMS OF REVOCATION FORM</b></p>
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I acknowledge that, on the date indicated below, I received my Independence School District Credit Card. I have received a copy of the ISD Credit Card Procedures Manual and training explaining the use and responsibilities of the ISD Credit Card. I understand that:

- The Credit Card is to be used solely for business purchases; not personal purchases.
- I am the only person authorized to make purchases with the Credit Card issued to me for authorized District expenses and that I am responsible for all charges made to the card.
- I am responsible for retaining original, itemized receipts, maintaining accurate accounting records and reconciling weekly statements by the due date each week.
- I understand that the misuse of the Credit Card may result in revocation of Credit Card privileges. Misuse is defined as:
  - Use of the Credit Card for personal purchases.
  - Use of the Credit Card to purchase unauthorized items.
  - Use of the Credit Card by someone other than the cardholder.
  - Fraudulent or inaccurate record keeping.
- I understand that the Independence School District retains the right to take disciplinary action, terminate my employment, seek retribution and/or seek legal prosecution in the event of gross misuse or fraud involving District funds.
- I authorize the Independence School District to deduct from my salary or from any other amounts payable to me, the total amount of any unauthorized purchases.
- I am responsible for returning the Credit Card to Deputy Superintendent of Operations Office should my employment with the Independence School District terminate.
- I will take all reasonable measures to protect the Credit Card against damage, loss, misuse and theft.
- I will report fraud, theft or misuse immediately to the Deputy Superintendent of Operations Office.
- I understand the District is EXEMPT from Missouri sales tax and when using the Credit Card for payment I am responsible for ensuring sales tax is NOT charged on Missouri purchases.

Employee Name: (please print) \_\_\_\_\_

Employee Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**Forward this form to the Deputy Superintendent for Operations Office for filing.**

# APPENDIX C

## Independence School District

<b>WEEKLY RECONCILIATION REPORT</b>
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### Transaction Envelope

#### Summary Information

Envelope Name: MJ20160129	Memo-Posted Transactions:	US\$795.00
Cardholder: MOLLY JOHNSON (JLuca1)	Out of Pocket Transactions:	US\$0.00
Submitter: Judy Luca (JLuca1)	Grand Total:	US\$795.00
Card Account: *4363	Date Range:	1/23/2016 - 1/29/2016

#### Memo-Posted Transactions

Date Occurred	Date Posted	Merchant	Billing Amount	Split Amount
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#### Notes

PO # - Line #	PO Status (C = Closed, O = Open)	Invoice Number (AP Entry Only)	Invoice Date (AP Entry Only)
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1/27/2016	1/28/2016	WIPFLILLP	US\$795.00	
Registration for Aaron Hooper Wipfli-In-Depth training on OMB's new Uniform Guidance on 2/2/2016 held at the Country Club Plaza Marriott, Kansas City MO				

258357-16-1	C		US\$795.00	
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Memo-Posted Transaction Totals	Count: 1	Total:	US\$795.00
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#### Transaction Envelope Summary

Transaction Envelope Total:	US\$795.00
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#### Signatures

Cardholder	Date
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Approver	Date
----------	------

APPENDIX D  
**Independence School District**

**CREDIT CARD CREDITS DUE FORM**

Use this form when reporting/paying or reporting a credit due to the District.

Cardholder Name: \_\_\_\_\_ Location: \_\_\_\_\_  
(Please Print)

Last 4 Digits of Card Number: \_\_\_\_\_

Phone or email where you can be contacted: \_\_\_\_\_

Vendor: \_\_\_\_\_

Amount of Credit: \$ \_\_\_\_\_ Transaction Date or \_\_\_\_\_  
Date of Return: \_\_\_\_\_

Type of Credit: Sales tax \_\_\_\_\_ Merchandise Return \_\_\_\_\_ Tip \_\_\_\_\_ Other \_\_\_\_\_

Credit Reimbursed by: Cardholder \_\_\_\_\_ Vendor \_\_\_\_\_

Credit is in the form of: Cash \_\_\_\_\_ Check \_\_\_\_\_ Credit \_\_\_\_\_

Code to Charge Credit to: \_\_\_\_\_

Cash should be given to the secretary and deposited into the same account code as the original expense. Then a copy of the cash receipt should be sent to the Business Office with your name and week of the transaction.

If a credit is received on the Credit Card, please attach a copy of the credit and/or Credits Due Form to the transaction through the Control Pay Advanced site. The Site Credit Card Processor should retain original copies. If the credit does not appear on the appropriate statement, complete this form, attach the credit and send to the Business Office with the transaction envelope.

Cardholder's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Administrator's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**FOR THE BUSINESS OFFICE ONLY:**

**DATE OF CONTACT FOR CREDIT DUE:** \_\_\_\_\_

**DATE AND AMOUNT RECEIVED:** \_\_\_\_\_

**CREDIT CARD ADMINISTRATOR:** \_\_\_\_\_

APPENDIX E

# Independence School District

## Missouri Sales Tax Exemption Certificate

### State of Missouri

**LIMITED EXEMPTION  
FROM MISSOURI SALES AND USE TAX ON PURCHASES AND SALES  
(Public School)**

Issued to: Missouri Tax I.D. 12541931

INDEPENDENCE MISSOURI PUBLIC SCHOOLS  
201 N FOREST AVE  
INDEPENDENCE MO 64050

Effective Date: 07/11/2002

Your application for sales/use tax exempt status has been approved pursuant to Section 144.030.2(19), RSMo. This letter is issued as documentation of the exempt status of your organization. The organization above must adhere to the requirements of this exempt status.

This is a continuing exemption subject to legislative changes and review by the Director of Revenue. Outlined below are specific requirements regarding this exemption. This summary is not intended as a complete restatement of the law. You should review the law to ensure your understanding and compliance.

- This exemption is not assignable or transferable. It is an exemption from sales and use taxes only and is not an exemption from real or personal property tax.
- Purchases by your organization are not subject to sales or use tax if conducted within your organization's exempt functions and activities. When purchasing with this exemption, furnish all sellers or vendors a copy of this letter.
- Individuals making personal purchases may not use this exemption.
- A contractor may purchase and pay for construction materials exempt from sales tax when fulfilling a contract with your organization only if your organization issues a project exemption certificate and the contractor makes purchases in compliance with the provisions of Section 144.062 RSMo.
- Sales by your organization are not subject to sales or use tax if conducted within your organization's exempt charitable and educational functions and activities.
- Any alteration to this exemption letter renders it invalid.

If you have any questions regarding the use of this letter, please contact the Taxation Division, P.O. Box 358, Jefferson City, Missouri 65105-0358, Email [salestaxexemptions@dor.mo.gov](mailto:salestaxexemptions@dor.mo.gov), or call 573-751-2836.

(DF6901)