



PURCHASE CARD CARDHOLDER GUIDE

Overview

The Commercial Card program is intended to streamline and simplify the Purchasing and Accounts Payable functions by eliminating waste and low value activities. The Commercial Card is a tool that reduces transaction costs, facilitates timely acquisition of materials and supplies, automates data flow for accounting purposes and offers flexible controls to help ensure proper usage.

The Commercial Card Program is designed as an alternative to a variety of processes including petty cash, check requests and low dollar purchase orders. The Commercial Card Program is not intended to avoid or bypass appropriate procurement of payment procedures. Rather, the Program complements the existing processes available. The card is a MasterCard credit card that is issued by Chase. Some minimal record keeping is essential to ensure the successful use of the Commercial Card. This is not an extraordinary requirement; standard payment policies require retention of receipts, etc.

This Cardholder Guide provides information about the process, the types of purchases that can and cannot be made; records that must be maintained and reconciled for each cycle, and a variety of other Program information.

Please remember that you are committing company funds each time you use the Commercial Card. This is a responsibility that should not be taken lightly. Remember that you are the person responsible for all charges made to the card(s) which has been issued to you. Intentional misuse or fraudulent abuse may result in disciplinary action up to and including dismissal.

The card will have no impact on your personal credit. Although the card lists an individual's name, the card is actually issued to Bay-Arenac ISD.

Obtaining a Card(s)

Only full-time employees of Bay-Arenac ISD or its affiliates are eligible to receive a Commercial Card. Contractors or temporary employees are not eligible. The Cardholder is responsible for the security of their card(s) and the transactions made against the card(s). Each user will be required to complete an online training through SafeSchools as part of the Commercial Card application.

When you receive your Commercial Card(s), sign the back of the card and always keep it in a secure place. Although each card is issued in your name, it is the property of Bay-Arenac ISD and is only to be used for company purchases as defined in this guide.

Commercial Card Restrictions

The Commercial Card is NOT to be used for personal purchases, cash advances, or any travel and entertainment expenses such as airline tickets, hotel accommodations, car rentals or meals.

Under no circumstances should a transaction be split into two separate receipts to bypass the single transaction dollar limit.

Each card has a maximum amount per transaction. This amount is determined by your supervisor. Once set, the card will reject purchases for amounts greater than the limit. Limits may be changed by processing the change form with your Commercial Card Administrator. Each card also requires a monthly total limit which, once established, will deny further transactions in that month. This amount is determined by your administrator and also may be changed by processing the change form with your Commercial Card Administrator.

Limit changes require the written approval of your supervisor.

Using the Card

Purchases with the necessary approval are initiated using your assigned card. Contact the supplier and agree to price, quantity, sales tax and delivery date. When ordering, inform the supplier that Bay-Arenac ISD is tax exempt (Federal Tax ID number is located on the front of the card, below your name). If the supplier requires a copy of the Tax Exempt form, please contact Accounts Payable at 667-3253. It is required at the time of purchase that you receive an itemized receipt showing what was paid for the purchases. If the purchase is via phone or mail, ask the supplier to include the receipt with the goods when the product is shipped to you. The Cardholder's name and "MasterCard" must appear on the packing slip and external shipping label. The supplier will require your Commercial Card number, expiration date and the "ship to" address.

It is required that you retain all receipts for your purchases. If you fail to obtain a receipt, Bay-Arenac has the right to invoice you for your purchases.

Taxes

Sales tax should not be paid on most purchases made with the Commercial Card. Contact your Accounts Payable department at 667-3253 if you have questions.

Reconciling Your Account(s)

Monthly, each cardholder will receive a statement(s) (cycle cut-off date is the 4th of each month) identifying each transaction made against the Commercial Card during the billing cycle. The statement must be reconciled against your retained receipts for accuracy.

For users with numerous transactions, a Monthly Transaction Log can be used as a tool to help maintain purchase information and to help reconcile your account(s). This Log is recommended for users who make telephone purchases.

The statement (with attached receipts) must be signed by the cardholder as proof of reconciliation and then forwarded to your supervisor for approval. After proper approval, the following should be forwarded to the Accounts Payable department: (1) the original monthly statement with proper approvals; (2) the Transaction Log, if used; (3) the original receipts taped to an 8 ½ x 11 sheet of paper. A standard Commercial Card envelope will be provided for monthly filing of the statement and receipts. If a purchase is deemed unnecessary or inappropriate by Administration, the cardholder will be invoiced all or a portion of the purchase. Failure to pay an invoice within ninety (90) days will be payroll deducted.

Each account must be reconciled and turned in to your supervisor by the date established by the Business Office. You will receive an email each month informing you of that date.

Resolving Errors and Disputes

In the case of an error, first contact the supplier and try to reach an agreement. Most disputes can be resolved between you and the supplier directly.

If you are unable to reach an agreement with the supplier, complete a Dispute Form, sign it and send it to Chase. All disputes must be submitted in writing to Chase within 60 days of the statement date via mail to:

Chase
2500 Westfield Drive
Mail Code IL 1-6225
Elgin, Illinois 60123
Attention: Disputes Dept.

Paying the Bill

The Commercial Card is a corporate pay arrangement. Account balances will be paid in full each month by a direct charge to a Bay-Arenac ISD bank account.

Your purchases will be charged to an expense account based upon the department/account combination that has been established.

Do not send your monthly statement to Accounts Payable with a check request.

Lost or Stolen Cards

The Commercial Card(s) should be secured, just as you would secure your personal credit cards. If your card(s) is lost or has been stolen, immediately contact Chase at 1(800)316-6056. Also notify your local Commercial Card Administrator.

Refusal of Card or Account

Should you be declined at the point of sale for any reason, please contact your Commercial Card Administrator. Every effort will be made to determine why the transaction was declined.

Departmental Changes

If you transfer to a new department or leave the company, notify your local Commercial Card Administrator immediately.

Commercial Card Audit Activity

Your card activity is subject to random audits by appropriate personnel, including Corporate Audit. The random audits are to help ensure adherence to the Program's policies and procedures.

Merchants That Do Not Accept the Card

Merchants are to be encouraged to become involved in the Commercial Card Program so that you can use the Program most effectively. Merchants may contact their local bank or financial institution to become credit card capable. For those merchants that are unwilling to participate in the Program, alternative sources should be found. You may also contact any merchants you would like to accept the card.