

PURCHASE CARD USE

The Board of Education recognizes that various practical, financial, and marketplace considerations make it important for the District and its authorized employees and agents to be able to make certain purchases using a purchase card that has been issued through a District-controlled account. At the same time, because the authorized holders and users of such purchase cards necessarily have the capability to obligate District funds through their purchases, it is critical for the District to maintain prudent internal controls that govern the District's Purchase Card Program ("Program"), as authorized under this policy.

Under the ultimate supervision of the District Administrator, the management, implementation, and oversight of the Program shall be a primary responsibility of the Director of Finance and Operations or an administrative level-designee assigned by the District Administrator in the absence of the Director of Finance and Operations.

The administrator assigned as the primary manager of the Program shall implement the Program subject to the following general parameters:

1. The Board of Education shall approve the card issuer(s) through which the District obtains its purchase card accounts.
2. The use of purchase cards shall not be used to circumvent District purchasing and procurement procedures — such as obtaining appropriate approvals and documenting price/cost information from multiple potential vendors for purchases above a certain value.
3. The number of authorized cardholders and card users shall be kept to a reasonable minimum based on the Program manager's evaluation of both demonstrated need and the administration's capacity to sufficiently oversee and monitor the cardholders, card users, accounts, and transactions.
4. The Program may include both building/department-based cards (which may have multiple authorized users) and individually-assigned cards (which may be used only by the named cardholder).
5. Unless otherwise expressly approved by the Board of Education for possible limited use directly by the District's Business Office, the cards in the Program shall not be debit cards that directly debit funds held in District depositories. In addition, the Director of Finance and Operations must expressly approve, in writing, any card accounts within the Program that operate as pre-paid cards that have a specific cash balance (rather than purchase cards) and, if approved, establish the extent to which the applicable rules and procedures differ for such cards.
6. As a default setting on all District purchase card accounts, the ability to use the card to obtain a cash advance shall be blocked.
7. The accounts within the Program shall be structured and managed administratively so that the District:
 - a. Is able to use its exception from paying sales tax as often as is practical.

- b. Normally pays its balances in full each month and avoids incurring interest charges for balances.
8. All authorized cardholders and card users shall be required to participate in at least a brief orientation meeting or similar training opportunity that addresses their responsibilities.
9. Separate from any review or reconciliation performed by the cardholder/card user, all card transactions shall be reviewed by personnel in the District's Business Office and/or by a supervisor with Program-related responsibilities prior to the deadline for making payment of the current account balance. Additional random and other auditing (e.g., to confirm adherence to established procedures, actual delivery of products purchased to the District, etc.) shall also occur.

The following additional specific responsibilities shall be performed by the primary manager of the District's Purchase Card Program or by a designee who remains under the close supervision and direction of the primary manager:

1. Developing, implementing, and revising as needed the District's procedures, rules, forms, and systems relating to the Program, including those that address the responsibilities of cardholders and card users. The primary manager of the Program may periodically consult with the District's auditors to review and improve the operation and security of the Program.
2. Approving authorized cardholders and card users, and also suspending, modifying, or removing such authority. This includes opening and closing card accounts.
3. In connection with authorizing cardholders and card users, obtaining a signed card user agreement that acknowledges the responsibilities, expectations, and procedures related to holding or using a District purchase card.
4. Establishing and monitoring account-level and user-level restrictions and similar settings, including but not limited to transaction limits, account holder notification triggers, blocks or other restrictions based on geographic location or type of vendor, etc.
5. Identifying specific examples of prohibited transactions, recognizing that any such list will not be exhaustive of all possible inappropriate charges.
6. Working with the individual cardholders and card users to review, reconcile, and assign correct accounting codes for transactions, address disputed charges (including potentially fraudulent charges), and report and resolve lost or stolen cards or card information.
7. Maintaining documentation related to card accounts, transactions, internal controls, and other information relating to the Program.
8. Overseeing appropriate investigation and resolution of any suspected misconduct or impropriety that may arise in connection with the Program.

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