

## **Policy ~~6423~~ 831 – Use of Credit and Purchasing Cards**

**Revised policy effective upon passage**

*1<sup>st</sup> reading*      September 26, 2019

*2<sup>nd</sup> reading*

*3<sup>rd</sup> reading*

**Statutory authority**      West Virginia Board of Education Policy 8200

### **Administrative Guidelines**

- i.      Purchasing Card Program

The Board of Education recognizes the value of a credit card program as an efficient method of payment and record keeping for certain expenses. ~~The Board, and therefore, authorizes the use of a County Credit Card Program same.~~ The County Credit Card program can include purchasing cards, bank or vendor issued credit cards for the incidental purchase of commodities of small dollar value, or corporate credit cards for the payment of authorized travel related expenses. All credit card and purchasing cards must comply with State West Virginia Board of Education Policy 8200, Purchasing Procedures for Local Educational Agencies.

The authorization, handling, and use of a purchasing card or a credit card have been established to provide a convenient an efficient means to purchase goods and services from vendors. The ~~Credit Card~~ program, however, shall not be used in order to circumvent the general purchasing procedures established by State law and Board policy. All purchasing policies must be followed, regardless of the method of payment, including the issuance of purchase orders.

The Board affirms that County purchasing cards and County credit cards shall only be used in connection with Board-approved or school-related activities and that only those types of expenses that are for the benefit of the County and serve a valid and proper public purpose shall be paid for by credit card. However, under no circumstances shall credit cards be used for personal purchases or the purchase of alcoholic beverages regardless of whether the purchase of such beverages is made in connection with a meal.

### *Purchasing Cards*

A purchasing card provides an alternative payment method when making purchases of commodities and services, other than travel. (~~WV Code 12-3-10a~~)

The Treasurer/Chief School Business Official is responsible for administering the purchasing card program. The responsibilities may be delegated to a purchasing card coordinator.

~~The purchasing card program coordinator in the individual schools will be the principal. The principal will be responsible for administering the purchasing card program at that school.~~

A purchasing card may only be issued to a regular full-time employee of the County. The County will provide each regular full-time employee issued a purchasing card an application that the employee must complete and sign. The application signed by the employee acknowledges the responsibilities associated with being a cardholder. The purchasing card shall be issued in the name of the regular full-time employee and the employee must sign the back of their purchasing card. Only the individual cardholder is authorized to use the card, and shall not delegate the ability to complete a purchase transaction to another individual. Each individual cardholder is responsible for every transaction that appears on the statement associated with their purchasing card.

A card shall not be issued to temporary or part-time employees, contract employees, volunteers, or students. Further, a purchasing card will not be issued generically in the name of the County or a specific school.

Upon termination or separation of employment an employee must surrender a purchasing card that was issued to them as a full-time employee. The purchasing card coordinator shall cancel the purchasing card and destroy the card.

To control and safeguard the County the following limits are established for the use of purchasing cards:

- A. The purchasing card issued to the Treasurer/Chief School Business Official may be used to make payment for worker's compensation, food service vendors, and other vendors who may provide a rebate that do not exceed the single transaction limit of \$300,000.

The Treasurer/Chief School Business Official is authorized to obtain a separate purchasing card with transaction and credit limits exceeding those for individual cards to make payments for utilities. If a utility card is obtained, all other transactions, other than the payment of utilities shall be blocked. A utility company may not charge a surcharge for the convenience of paying with a utilities purchasing card.

- B. All purchasing cards shall not be used to obtain cash advances or cash credits.
- C. All purchasing cards may not be used to pay a vendor requiring the payment of a surcharge.

Each cardholder is responsible for reconciling the individual purchasing card statement every month and shall forward the documentation to the purchasing card coordinator for review. The appropriate documentation includes an itemized receipt for each transaction charged on an individual's purchasing card. The receipt must contain the following specific information:

- A. a description of the item(s) purchased, unit price, quantity, and total cost for each item (use of generic terms such as "miscellaneous" or "various merchandise" is not acceptable)
- B. no balance due or need to be marked "paid"
- C. a total price
- D. the payment was made by purchasing card

When providing the documentation to the purchasing card coordinator, all receipts should be in chronological order by date of purchase.

The coordinator is responsible for reconciling the master purchasing card statement. This includes reviewing all transactions to ensure that they are legitimate and for official business, and that all required documentation is present.

The schools must provide copies of the master statement, receipts, and other necessary documentation to the Treasurer/Chief School Business Official's Office for review on a quarterly basis. All documentation relating to the purchasing card program must be retained for two (2) years from the end of the fiscal year in which the transaction was completed.

Employees failing to properly follow purchasing policies, procedures, and State law associated with the purchasing card program are subject to disciplinary action up to and including revocation or limitation of purchasing card privileges, a period of probation, or mandatory purchasing card training. Further, employees may be subject to disciplinary action up to and including termination and prosecution by the school system, and subject to civil action by the credit card company for personal liability if the employee knowingly pays for items intended for personal use.

#### *Bank or Vendor Issued Credit Cards for Purchase or Commodities*

Bank- or vendor-issued credit cards are an alternative payment method that can be used when making incidental purchases of commodities of a small dollar value, but not travel. Bank and vendor issued credit cards may be issued in the name of the County. ~~Each County school may be issued a Bank or Vendor credit card.~~

If a bank or vendor credit card is issued to an individual cardholder, the requirements established for all full-time employees applying for a purchasing card pertain to the issuance of a bank or vendor credit card. The County will

establish monetary limits with the bank or vendor to establish monthly spending limits on individual cardholder issued cards. Further, the controls established and bank- or vendor-issued credit cards apply to the use by an individual of bank or vendor cards issued in their name.

~~The Board recognizes that bank-issued credit cards can generally be used at countless vendor locations without restriction. Further, the Board understands that vendor-issued credit cards generally are only accepted for purchases from that particular vendor or related vendors; however, there normally are not any restrictions as to the type of merchandise that can be purchased.~~ While the use of bank or vendor issued credit cards allow the County to make incidental purchases with relative ease, the use of credit cards shall not be used in order to circumvent the purchasing procedures established by State law and Board policy.

All bank- or vendor-issued credit cards will be monitored by the Treasurer/Chief School Business Official. The responsibilities may be delegated to a credit card coordinator.

If an individual school has a bank- or vendor-issued credit card, the credit card program coordinator in the school will be the principal. The principal will be responsible for administering the credit card program at that school. In addition to monitoring the established controls for the credit card program, the program coordinator will keep a record of all credit card uses and review and approve all purchases to verify that the expenses are incurred in connection with Board-approved or school related activities, are for the benefit of the County, and serve a valid and proper public purpose prior to the forwarding the credit bills to the Treasurer/Chief School Business Official's Office for payment.

To control and safeguard the County the following limits are established for the use of bank- or vendor-issued credit cards:

- A. Credit cards shall only be used on occasions when the users of the credit need to make purchases on an infrequent basis.
- B. Employees who require the use of the County credit card shall request in writing the use of the credit card from the program coordinator. Upon approval of the request, the employee must sign out the credit card in the credit card log.
- C. The employee who has requested the use of the County credit card shall maintain documentation of all purchases. Documentation includes, but is not limited to: charge receipts, original cash register slips or other detailed receipts, and invoices.
- D. The employee who has requested the use of the County credit card shall refrain from allowing anyone else to use the credit card or account number.
- E. Employees are required to inform merchants that the purchase is being made for the Roane County Board of Education and is not subject to State or local sales tax.
- F. The credit card shall be kept secure at all times.
- G. Credit cards shall not be used to obtain cash advances or cash credits.

Credit cards shall not be used for personal purchases. Specifically, credit cards shall not be used for expenses that are not incurred in connection with Board-approved or school-related activities, are not for the benefit of the County, and do not serve a valid and proper public purpose.

Use of a bank or vendor credit card issued in the name of the County, or use a bank or vendor credit card issued to an individual, in an unauthorized or illegal manner may result in revocation of credit card privileges, disciplinary action up to and including revocation or limitation of credit card privileges, a period of probation, or mandatory credit card training. Further, employees may be subject to disciplinary action up to and including termination and prosecution by the school system, and subject to civil action by the credit card company for personal liability if the employee knowingly pays for items intended for personal use.

The Superintendent shall develop and update administrative guidelines as necessary to implement this policy.