

DISTRICT PURCHASING CARD PROGRAM

The purpose of this regulation is to establish guidelines for the use of a purchasing credit card maintained by the District for use by the Purchasing Department. A purchasing card is to be used primarily for authorized goods and services such as conference registrations, airfare, car rental, lodging, and small purchases made with vendors that do not accept purchase orders, or emergency purchases where the goods and services needed cannot be obtained in a timely manner with a purchase order.

It is the intent of the District to initiate the Purchasing Card program by issuing one credit card that will be housed in the Business Services office and used for purchases generated through the standard purchasing process for those items that are not easily procured via a purchase order and/or revolving check, such as travel/airfares, Internet, and internationally-manufactured textbooks, etc. Staff members do not anticipate distributing any cards to employees. The initial card will be stored in the Business Services office; it is not anticipated that additional cards will be needed. If additional cards are required in the future, a request will be presented to the Board of Trustees for consideration and approval.

Roles and Responsibilities

The Assistant Superintendent of Business Services is responsible for administering the purchasing card program for the District and will act as the main contact between the District and the issuing bank. The Assistant Superintendent of Business Services will be registered with issuing bank as the person authorized to make changes (e.g. add or cancel a cards) for the purchasing card program.

The Assistant Superintendent of Business Services is specifically responsible for:

1. Issuing a purchasing cards
2. Promptly canceling purchasing card(s) as appropriate
3. Communicating policies and procedures with administrators and other staff members
4. Ensuring departments and staff members are in compliance with Board Policies and Administrative Regulations involving use of a purchasing cards, including BP 3200, Purchasing
5. Ensuring proper and timely submission of purchasing card payments by the Board of Trustees
6. Promptly notifying the auditor and the purchasing card company of any potential or confirmed fraudulent use of the purchasing card
7. Revoking purchasing card privileges of staff members and/or departments (if necessary) for noncompliance with established policies and procedures
8. Approving emergency purchasing card purchases over \$1,000

The auditors will perform selected reviews of all purchasing card transactions to verify that they are appropriate and supported by adequate documentation.

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The Purchasing Card user shall:

1. Read and understand the Board Policy and Administrative Regulation on District purchasing card program
2. Maintain the security of the purchasing card while in his/her possession (refer to “Card Security” below)
3. Ensure that all purchasing card transactions are business-related expenses and are in compliance with all Board Policies
4. Notify the Assistant Superintendent of Business Services and his/her supervisor of a lost or stolen purchasing card with 24 hours
5. All non-authorized expenses will be the responsibility of the cardholder

Travel Purchases Made with the Purchasing Card

The District purchasing card may be used for certain travel-related expenditures involving advance arrangements. These include:

1. Conference or meeting registration
2. Airline, train, or bus tickets
3. Hotel/motel reservations for single room in advance by telephone (holding room with a purchasing card)
4. Payment of lodging expenses (room, tax, and if applicable, on-site parking and Internet access charges) if the hotel/motel does not accept purchase order. Internet access will only be charged for school business

Only the travel expenditures listed above are authorized to be charged on the purchasing card. Any other travel expenditures charged to a District purchasing card are unauthorized. Any violation of this Policy will result in the employee reimbursing the District for any unauthorized charges. Depending on the severity of the violation, unauthorized charges for travel may also result in the loss of a staff member’s purchasing card privileges and other disciplinary actions up to and including termination.

Unauthorized travel charges include, but not limited to the following:

1. Lodging charges other than single room, tax, parking, and Internet access fees (if applicable). These unauthorized charges include room service, food, alcohol, phone calls, in-room movies/video games, etc.
2. Non-travel meals
3. Gasoline for any personal vehicle
4. Any other travel-related expenditures not listed in the previous section
5. Direct billing for lodging

Many hotels/motels will accept purchase orders from the District and directly bill the District with any invoice for lodging. This is the preferred method of payment. If the hotel does not allow direct billing, the purchasing card may be used for payment of authorized lodging expenses.

Small Purchases (Non-Travel) and Emergency Purchases Made with the Purchasing Card

Although the purchase order system is the preferred method for handling small purchases, there are situations where use of a purchasing card may be authorized. Specifically, small purchases and emergency purchases may be made on a non-routine basis with the use of the purchasing card. Use of the purchasing card is not to replace the purchase order system already in place. Any overuse of the purchasing card and/or any attempt to avoid established purchasing procedures is strictly forbidden. All Federal, State, and District purchasing policies will apply to the use of the purchasing card. The purchasing department may also use the purchasing card for emergencies, travel, and other purchases when in the best interest of the District.

Definitions

Small purchase: An authorized purchase of business-related goods or services totaling less than \$1,000. These purchases are typically made with vendors that require immediate payment and will not accept purchase orders. These purchases may be point-of-sale purchases.

Emergency purchase: An authorized purchase over \$1,000 where business-related goods or services cannot be obtained in a timely or cost-effective manner with a purchase order. These should be non-routine in nature and require the pre-approval of the Assistant Superintendent of Business Services.

Authorized Small/Emergency Purchases

Examples of authorized small/emergency purchases include, but are not limited to:

1. Books
2. Instructional supplies
3. Therapeutic or other devices required by Individualized Education Programs (IEPs)
4. Repair parts
5. Food (non-travel) purchases related to business meetings and training events (refer to "Receipt of Goods and Services" below)
6. Any other business-related purchases approved by the Assistant Superintendent of Business Services

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Unauthorized purchases

Examples of unauthorized small/emergency purchases include, but are not limited to:

1. Items for personal use (absolutely no personal use of the card is allowed)
2. Cash advances
3. Alcoholic beverages or tobacco products
4. Sales tax on exempt goods and services
5. Items greater than \$1,000, unless pre-approved by the Assistant Superintendent of Business Services
6. Any purchased items (furniture, equipment, etc.) that will not be retained by the District
7. Splitting of payments in order to circumvent the requirements of the Policy
8. Computer hardware (unless approved by the Director of Technology)
9. Computer software (unless approved by the Director of Technology)
10. Computer peripheral equipment (unless approved by the Director of Technology)

Any violations of this Policy will result in the staff member reimbursing the District for any unauthorized charges. Depending on the severity of the violation, unauthorized charges for small/emergency purchases may also result in the loss of a staff member's purchasing card privileges and other disciplinary actions up to and including termination.

Purchasing Card User Purchasing Procedures

The purchasing card users are responsible for obtaining all documentation necessary to support the business purpose of the purchase. All purchases using the purchasing card must be accompanied by a purchase order. Documentation must support the appropriateness of the transaction and contain the following information:

1. Vendor name
2. Detail listing of goods purchased, including item description, quantity, and price
3. Transaction date
4. Total dollar amount of purchase

Acceptable supporting documentation includes, but is not limited to original itemized sales receipt or invoice, and/or original packing slip (including price). All receipts must be itemized. Purchasing card receipts with only the total dollar amount are not sufficient.

Receipt of goods and services

It is the responsibility of the purchasing card user to ensure receipt of goods and services ordered and to follow up with vendors to resolve any issues concerning delivery problems, discrepancies, and/or damaged goods. In the case of returns, all refunds must be applied to the purchasing card.

Card Security

It is the purchasing card user's responsibility to safeguard the purchasing card and the account number while in his/her possession to the same degree that one safeguards his/her personal purchasing information. The purchasing card user is instructed to keep the card in a secure location and guard the account number from unauthorized use.

If the card is lost or stolen, the purchasing card user shall notify the Assistant Superintendent of Business Services and Farmers & Merchants Bank within 24 hours.

Other Security Requirements include:

Internet purchases are permitted only if the company's Web site has a Secured Socket Layer (SSL) Version 2.0 or greater at the Point-of-Order entry. A Web site that has this level of security has <https://> in the address window.

Telephone purchases are permitted; however, the card account number must not be faxed to vendor. The order can be faxed, but the account number must be phoned in to the vendor.

Review and Certification of Monthly Statement

Processing Payment of Monthly Statement

1. Once all transactions have been reviewed, a purchase order shall be generated to pay the current balance using appropriate financial coding.
2. The purchase order, monthly purchasing card statement, and all supporting documentation shall be submitted to Accounts Payable for payment within five business days of receipt to ensure that no finance charges will be paid.

Legal Reference:

EDUCATION CODE

17604 Delegation of powers to agents' approval or ratification of contracts by governing board

17605 Delegation of authority to purchase supplies and equipment

35250 Duty to keep certain records and reports

42630-42651 General provisions; order, requisitions, warrant

Regulation approved: January 14, 2014