

## CREDIT CARDS

### Purpose of the Credit Card Program

The purpose of the credit card program is a legal means of procuring goods/services when using a purchase order is not possible. Purchases with the credit card still must adhere to the same policy/laws that you would follow if using a purchase order. Credit Card purchases are only to be used with approved vendors, you may not use a credit card to circumvent purchasing laws.

The types of transactions for which the credit card is intended are:

- Travel – when a purchase order or check is not accepted
- Vendors that do not take district checks or purchase orders

### Relation to Other Procedures

The credit card program is a means of payment just like a purchase order and district check. Accordingly, the basic documentation for the Credit Card is the Request for Purchase, and all use of the

*Credit Card should comply with procedures for Request for Purchases.*

### **Procedures**

These procedures are provided to ensure that credit cards are used appropriately. Campuses and departments will be expected to adhere to all controls.

### Staff Roles

<b>Title</b>	<b>Staff Description</b>	<b>Role</b>
Credit Card Administrator	Purchasing Supervisor / Purchasing Staff	Oversees Credit Card Program: establishes procedures and controls. Manages card issuance, limits, monthly accounting and monitors adherence to controls
Credit Card Holder	Principals of campuses, Directors, and Administrators	Supervises card use on a campus or department/program. Responsible for all expenditures.
Credit Card Clerk	Campus or department secretary (designee by Credit Card Holder)	Maintains control of cards, manages authorization, and documentation, and coding of transactions by use of check out log and issue of purchase requisition and collection of receipt along with the card on return from use.
Credit Card User	Any employee approved to check out the credit card	Uses the card to make purchases as authorized by a supervisor by proof of a purchase order and return with a receipt after purchase is made.

## **Eligibility**

Issuance to principals, directors and senior administrators will be made unless otherwise requested.

Cards will not be issued to anyone who is not a regular employee of MISD.

### *Procedure for Obtaining a Credit Card or Change of Name*

A request must be made in writing using the Credit Card Request Form. Requests for employees must be made by their supervising principal or director. Program coordinators or other supervisors may request a card on their own behalf.

## **Loss of Eligibility & Disciplinary Actions**

Credit Card Holders who do not comply with procedures will lose their eligibility to hold a Credit Card.

Principals/directors are responsible for ensuring that Credit Card Clerks effectively perform their required duties. A principal/director will be expected to reassign duties to another employee, or reassign an employee, who is not able to perform their duties.

Principals/Directors who do not comply with procedures, or who cannot ensure that their staff will comply with procedures, will lose their eligibility to hold a Credit Card. In most cases, all employees under that principal/director will also lose their eligibility to hold a Credit Card.

Loss of eligibility should be rare. In general, loss of eligibility will be indicative of an inability to follow any procedures, or to act responsibly for the position. Also, denying eligibility will penalize a campus or department from utilizing Credit Cards. Loss of eligibility will generally result in a written reprimand to the employee at a minimum. In the case of unauthorized purchases, or other more aggravated problems, the employee will also be subject to termination.

### **Responsibility for Use of Cards**

Credit cards are issued in the names of individuals, campuses, and/or to a department or program name. Accordingly, the credit card holder will be the principal, director, administrator, and program director that the card is issued to.

Credit Cards may be used by employees other than the Credit Card Holder, and, in practice this will be done frequently. Credit Card Holders may be the primary user of the card, but in many cases will be a supervisor and purchases will be made by another employee under the direction or approval of that principal/director.

*Employees in whatever role they serve will be responsible for their own actions and for the performance of their duties according to procedure and good judgment. Employee may be held responsible for misuse of a card, or mismanagement by others if their own actions contributed to the situation.*

*MISD is legally liable for all purchases with a Credit Card. Credit Card Holders are liable for insuring that purchases made with their Credit Card follow district policy and procedures outlined in this manual.*

*Anyone who uses a Credit Card for unauthorized transactions will be held personally/legally responsible for those purchases.*

## **Procedures**

### **General**

#### **Request for Expenditure**

- Request for Purchase is prepared.
- Vendor is listed as "Credit Card."
- Items to be purchased are described, including vendor/company name & other pertinent information describing the purchase.
- Budget information is completed, including account codes.
- The originator of the Request for Purchase signs the form.
- Request for Purchase is presented to Credit Card Clerk (normally the Campus or Department Secretary) to issue a purchase requisition prior to purchase.

Request for Purchases should be prepared and approved prior to the issuance of the Credit Card. This will generally provide the most reliable means of communication of what purchases are authorized. If for example the amount is not known you may issue the request for an estimated amount (it is better to estimate more than needed, unused funds are put back into the budget that they were taken from).

#### **Expenditure Authorization by Principal/Director**

- The Principal/Director is responsible for seeing that credit cards are only issued to use for purchases they authorize.
- The Principal/Director is responsible for ensuring there are adequate funds in the accounts to be charged.
- The Principal/Director is responsible for ensuring that the Credit Card User understands the exact limits of their authorization, including the maximum amount that may be spent. The purchase limit or other important information should be written on the Request for Purchase when considered necessary to ensure clear communication.

#### **Issuance & Return of Credit Card by Credit Card Clerk**

- The Credit Card User will sign and date the Credit Card Log to document the issuance of the Credit Card.
- The Purchase Order will be kept by the Credit Card Clerk.
- The Credit Card User will return the card along with the receipt(s) and sign and date the Credit Card Log to document the return.
- The Request for Purchase will be completed and the purchase receipts attached.
- If any reimbursement of meals or other travel in excess of allowable limits is required, a personal check for the amount required must accompany the Request for Purchase.

#### **Expenditures Exceeding Authorized Limits**

- The Credit Card User may not use the Credit Card for purchases that were not approved by the evidence of the purchase order, and may not exceed approved amount.

### **Statement Processing & Approval**

- The cut-off date for processing Credit Card transactions is the end of the day on Friday of each week.
- The Credit Card Clerk will print a card statement for each Credit Card as of this date.
- Purchase Order & receipt must be attached to the statement for each purchase.
- The Principal will need review and initial to approve any statement with the supporting documentation that does not match the approved purchase order for that statement.
- The statement and Request for Purchases must be sent to the Credit Card Administrator within five business days from the cut-off date. Purchase orders and receipt should be sent in weekly.
- The Credit Card Administrator will then post the transactions to expenditures.

### **Taking Credit Cards on Out-of-Town Trips**

Generally, vendors accept the Credit Cards for purchases even when the Credit Card user is not the employee/department named on the card. If there are questions, they can usually be resolved without serious inconvenience. If the Credit Card will be used to pay for hotels during out-of-town travel, the person making the reservation should verify with the hotel that there will be no problems in accepting the Credit Card for payment. The name of the hotel employee should be noted on the reservation confirmation information if needed for future reference. As a precaution user should print a Credit Card Authorization Form (under Finance –Forms) to take with them when traveling.

### **Physical Control of Credit Cards**

Timelines & due dates related to Credit Cards are critical. Failure to comply may result in suspension or cancellation of Credit Card privileges.

Credit Cards should be returned immediately after use, not only as a means of control, but to allow for use by others.

#### **General Guidelines**

- Credit Cards should be issued to the Credit Card User only for the authorized purchase. They should be maintained by the Credit Card Clerk at all other times.
- A Credit Card Holder may keep their Credit Card for extended periods as considered practical by the Principal/Director.
- A Principal/Director may keep his or her Credit Card for routine purchases.

#### **Credit Card Issuance**

- Credit Cards should be issued to the Credit Card user immediately prior to use and should be returned immediately after use.
- For travel, Credit Cards may be issued up to 24 hours ahead of departure and must be returned within 24 hours of arrival back at work.  
Non-business days may be excluded; for example, an employee leaving on Monday may receive a Credit Card on Friday.
- Receipts and other documentation are due immediately upon return of the Credit Card.

The Credit Card Clerk must report any delinquent returns of Credit Cards to the Principal/Director.

### Responsibility for Outstanding Credit Cards

The Credit Card Log should show each Credit Card and to whom it was issued at any point in time. That person is initially responsible for transactions made with that card (except in the case of theft). That person will be responsible for producing receipts and other documentation immediately upon request as necessary to properly account for transactions. If an employee does not want to assume this responsibility he or she needs to make certain they return the Credit Card prior to its use by another employee.

### Safeguard Procedures

To ensure that Credit Cards are used properly and efficiently, the Credit Card Clerk shall be responsible for the following:

- Making a notation on the Credit Card Log of any employee who takes a Credit Card without properly signing the Credit Card out and in, and reporting the exception to the Credit Card Principal/Director.
- Reporting to the Principal/Director recurring failure by an employee to return a Credit Card on a timely basis.
- Reporting to the Principal/Director recurring problems obtaining completed Request for Purchases, receipts, or other information necessary to process purchases.
- Reporting to the Principal/Director Request for Purchases, receipts or other information for a weekly transaction cycle that have not been received by the end of the second business day after the cycle ends.

The Principal/Director is responsible for ensuring that compliance problems are corrected.

### Card Limits and Activation

Credit Card programs offer various limits as a means of control. Those limits include:

- Total amounts by individual card
- Individual card limits, limiting the amount spent per transaction, day, week, or other period
- Vendor limits restricting the card to, or from, certain types of vendors

The Credit Card Administrator is responsible for establishing and maintaining standard limits for various levels of Credit Card Holders. Contact the Credit Card Administrator for those limits.

Card limits may be changed permanently or temporarily.

Credit Cards for contract employees will be deactivated during periods when that employee is off contract unless otherwise requested by the Credit Card Principal/Director and approved by the Credit Card Administrator.

### Lost or Stolen Cards/Customer Service

*Lost or stolen cards must be reported immediately to Card Service Center, at (800) 819.4249.*

*You must also report the card to the Credit Card Administrator (Purchasing Supervisor), phone (254) 761.5612.*

*The contact may also be called for other problems that arise.*

## **Acceptable Credit Card Uses**

Credit Cards may be used for purchases where immediate payment is required. Items that may be purchased include:

- Travel Expense- when a purchase order or check is not accepted
- Vendors that do not take district checks or purchase orders

*Note: If supplies, materials or other items can be ordered on account and paid for later a Purchase Order should be used.*

### *Qualifications to Acceptable Uses*

Credit Card purchases must have a purchase order issued and cannot exceed the available credit on the card.

Travel-related purchases may not be made unless approval for the travel has been obtained.

Hotel reservations and conference registrations made in advance of travel may only be made by the Credit Card Clerk. A Request for Purchase and a Travel Authorization Form must be completed and on file with the Credit Card Clerk before any reservation is made. The Credit Card Clerk is responsible for reviewing reservations and taking steps to cancel reservations that are no longer needed.

Credit Cards should not be used for employee meals when traveling. Credit card should not be used for any travel expenses that will not be reimbursable under the District's Travel Reimbursement procedures and that is not pre-approved.

*If the employee uses the card for meals, hotel, or other purchases which are not fully reimbursable, the employee must submit a personal check at the time the Credit Card and receipts are turned in and may face discipline and or legal issues.*

## **Unacceptable Credit Card Uses**

- Employee *meals for which a meal reimbursement will be made.*
- *Personal items - Credit cards absolutely should not be used for personal items.*
- Gasoline or other fuel for vehicles when a mileage reimbursement will be made.
- Gift certificates/gift cards as defined by law and or district policy.
- Technology purchases, unless written approval by the Technology Department.
- Purchases without a purchase order in place.
- Any use of a Credit Card which circumvents the bid process, or other established procurement processes.
- Sales tax - MISD is not liable for any sales tax.