

CONTROLS FOR THE USE OF DISTRICT CREDIT AND PROCUREMENT CARDS

This procedure implements, and is subject to, Board Policy 4:55, Use of Credit and Procurement Cards. The business office shall oversee the following controls:

Issue District credit and/or procurement cards to only authorized individuals.

1. Require prior authorization before issuing a card to any individual.
2. Have cardholders sign 4:55-E, Cardholder's Statement Affirming Familiarity with Requirements for Using District Credit and/or Procurement Cards.
3. Instruct cardholders:
 - a. In the proper use of cards, and;
 - b. How to document purchases, including the need to: (a) present an itemized receipt in addition to a credit or procurement card receipt for each item, (b) indicate the date, purpose, and nature of the charge on the receipt, and (c) identify the names of individuals for whom expenditures were incurred on the receipt.

Monitor that credit and/or procurement cards are being used for appropriate purchases.

1. Prohibit the use of District credit or procurement cards for personal expenses. Two problems prevent personal use pending later reimbursement – there is no guarantee of reimbursement and the practice is a de facto loan available only to certain employees.
2. Do not use cards that allow cash advances or cash back from purchases.
3. Establish reasonable credit limits for each purchase, transaction, and/or the balance total on each card. Reduce the limits on existing cards if necessary. Require prior authorization for purchases above these limits.
4. When a card is used for "emergency purposes," require that the user clearly document the emergency situation that justified the need.
5. Block certain types of vendors or purchases using Merchant Category Codes – these categorize businesses by the products or services they provide. Request that the card issuer prohibit charges from dry cleaners, health or beauty spas, liquor stores, race-tracks, casinos, churches, physicians, and other merchant categories the District will never use.
6. Perform scheduled and random analyses of individual cardholders. This includes examining the continued need for the card and the nature of purchases being made.
7. Perform scheduled and random analyses to determine whether Board policy is being followed.

Safeguard District credit and procurement cards.

1. Issue cards only for the time period that they are needed.
2. Issue cards in the names of specific individuals to help maintain accountability.
3. Prohibit a card's use by anyone other than the individual to whom the card is issued.
4. Develop and follow procedures to cancel cards when lost or stolen and when individuals leave employment.
5. Cancel existing cards that are not needed or accounted for.
6. Review and update master credit card lists manually.

Monitor credit and/or procurement card statements.

1. Review statements and watch for suspicious activity, such as, unusual destinations or items, purchases from a vendor whose reputation has not been verified, or purchases that would have been less expensive if another available payment method had been used.
2. Have billing statements broken down by individual user.
3. Have a reconciliation process and timetable. This includes:
 - a. Reconciling credit card statements to itemized receipts and invoices;
 - b. Examining the documentation supporting purchases to ensure charges are authorized and reasonable;
 - c. Delegating approval, verification, and payment of bills to different individuals; and
 - d. Requiring someone other than the cardholder or an individual supervised by the cardholder to review and approve transactions.
4. In exceptional circumstances when the superintendent approves a charge that would otherwise be disallowed, maintain a record documenting the Superintendent's approval as well as all other pertinent information about the charge.
5. Review all uses of a card via telephone, fax, and the Internet to be sure they were approved by the superintendent.
6. Establish a way of recouping inappropriate charges.
7. Appropriately follow up on any discrepancies.
8. Verify that the items purchased were actually received.
9. Account for any financial or material reward or rebate offered by the company or institution issuing the District credit or procurement card and verify that it was used for the District's benefit.

The following District employees will be issued District credit and/or procurement cards. Other District employees may use a District credit and/or procurement card after receiving specific authorization from the superintendent.

Superintendent and assistant superintendents may use the cards for actual and necessary expenses incurred in the performance of their duties. Expenses related to professional development shall also be included as authorized use.

Director of building and grounds and maintenance staff may use the cards for expenses for maintaining and fueling District vehicles and maintaining buildings. Expenses related to professional development shall also be included as authorized use.

Building principals/secretaries may use the cards for materials and supplies needed quickly and/or are too small to process through the regular procedure. Expenses related to professional development shall also be included as authorized use.

Technology coordinator and technology staff may use the cards for materials and supplies needed quickly and/or are too small to process through the regular procedure. Expenses related to professional development shall also be included as authorized use.

Other staff may use the cards for materials and supplies needed quickly and/or are too small to process through the regular procedure (i.e. food items. and materials such as those for art and science). Expenses related to professional development shall also be included as authorized use.

CROSS REF: Exhibit 4:55-E

REGULATION

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Board of Education, Glen Ellyn, Illinois