

**CREDIT/PURCHASE CARD USE AND ACCOUNTING PROCEDURE**

To the extent possible and authorized by law, the Superintendent of Schools may make arrangements for the issuance and use of credit/purchase cards consistent with the provisions of this policy.

**Definitions**

Terms used in this policy are defined as follows:

1. **"Travel"** means transportation arrangements made or incurred by car, airplane, train, bus or other means and hotel accommodations. Travel may be within or outside of the School District. Travel does not mean transportation to and from the employee's residence or abode to the School District for employment.
2. **"Employee"** means any person employed by the School District or a member of the Board acting in his/her capacity as a Board Member on behalf of the School District.
3. **"Expenses"** mean any actual indebtedness incurred by the district after use of a credit/purchase card by an individual employee acting on behalf of the School District, for the benefit of the School District or for the purpose of advancing the interests of the School District with the intention of having the charge paid by the School District. Expenses may include, but are not limited to these items:
  - a. air, bus, taxi , train fares and car rentals,
  - b. hotel or motel accommodations,
  - c. other travel related expenses when applicable,
  - d. registration fees and meeting expenses,
  - e. office and class supplies,
  - f. educational materials,
  - g. technology supplies and minor computer equipment purchases,
  - h. supplies for facilities management,
  - i. banquet supplies,
  - j. other miscellaneous purchases for the benefit of the school district,
  - k. expenses incurred by the Superintendent as are pursuant to his/her contract. The term "expenses" does not include the payment or costs of any meals.
  - l. fuel expenses for school vehicles on out of town trips (Fuel Man Card)
4. **"Receipt"** means an invoice document issued by a vendor, which has been paid for with the use of the credit/purchase card by the employee of the district. A receipt does not constitute just a credit/purchase card slip with the amount charged to the credit/purchase card. A receipt must contain the following information:
  - a. date of the purchase,
  - b. amount of the purchase,
  - c. who incurred the charge,
  - d. method of payment,
  - e. an itemized description of the goods or services purchased,
  - f. the name, address and telephone number of the vendor.
5. **"Supporting documentation"** means an explanatory memorandum or note to the Chief Financial Officer or Treasurer explaining the reason for the expense and containing copies of the credit/purchase card slip and the supporting invoice/receipt. All charges for which Board approval and payment is sought must be attached to the memorandum.

6. **"Explanatory memorandum"** is a document prepared by the employee who made the charge, which contains the following information:
  - a. dates entering and ending travel status,
  - b. points of travel,
  - c. air, bus or train fares when public transportation is used,
  - d. parking fees, taxi fares, car rentals and turnpike fees,
  - e. motel and hotel expenses,
  - f. registration fees and meeting expenses,
  - g. other school business expenses paid by credit/purchase card which properly occurs during the time an employee is in travel status,
  - h. encumbrance to be charged for expense,
  - i. by whom the travel activity was approved.
7. **"Credit/Purchase Card Slip"** is the customer's copy of the credit/purchase card charge form. A credit/purchase card slip alone is not a receipt. To qualify as a receipt, a credit/purchase card slip must be attached to a supporting invoice issued by the vendor, which contains all the information required of a receipt.
8. **"Credit/Purchase Card"** means any credit/purchase card method of satisfying a debt owed to a vendor coupled with a promise to pay the invoice amount to a third party. The third party is the "Credit/Purchase Card Company" which means the party that issued the credit/purchase card and sends monthly statements of credit/purchase card usage to the School District. Statements must be sent to the School District on a monthly basis and must contain an itemized explanation of the credit/purchase card's usage including the following information:
  - a. date of use,
  - b. vendor,
  - c. amount charged,
  - d. name of the person who used the credit/purchase card,
  - e. signature of the person who used the credit/purchase card,
  - f. description of goods or services charged. If more than one credit/purchase card is used, a monthly statement or report on the usage of each card must be made.
9. **"Vendor"** means the individual or entity that provided the goods or service to the School District for which the charge was made and a receipt for payment has been issued.

## Types of Credit/Purchase Cards

Bixby Public Schools uses three different types of credit/purchase cards for the benefit of the school district and for use by approved district employees under the supervision of the Chief Financial Officer and Treasurer. The types of credit/purchase cards in use and explanations are as follows:

1. **"Vendor Cards"** are specific charge cards directly tied to one specific vendor such as a Wal Mart card and Fuel Man Card. The district will have specific vendor cards which will be under the control of the General Fund Encumbrance Clerk as authorized by the Chief Financial Officer and Treasurer. The Encumbrance Clerk will check-out a specific vendor card to an authorized employee for use but only if a designated Purchase Order number has been established for such expense. The cards must be returned to the Encumbrance Clerk the same day or no later than the following day after check-out unless the check-out date occurs on a Friday of which the employee must return the card the following Monday morning. Cards will not be released over extended holiday weekends or holiday periods unless prior approval has been obtained from the Chief Financial Officer or Treasurer.
2. **"Visa Card – Citizens Security Bank or CSB Visa"** is the general Visa credit card for the benefit of the district and under the control of the Treasurer. There will be only one card for use and it will be under strict control of the Treasurer.

3. **“Visa Purchase Card – Bank of America”** is a general purpose Visa credit/purchase card that will be issued in the name of specific employees of the district as designated by the Superintendent. Bixby Public Schools, a political subdivision of the State of Oklahoma, is linked to this Visa card program via the State of Oklahoma’s Department of Central Services, Central Purchasing Division, under contract SW200, Purchase Card Program, dated May 7, 2010 and expiring on June 6, 2014 with specific renewal options as set forth in the contract. The cards will be under the supervision of the Chief Financial Officer and Treasurer. Each card will have restricted use and none of the cards will have open credit/purchase limits. The Treasurer or Chief Financial Officer will set each card’s limit for each occurrence or use only after an appropriate Purchase Order has been established in the system. The use of the card system is established after Board of Education approval of the Linking Authorization.

### **Usage and Accounting Policy**

Whenever general or travel expenses are incurred for the School District and it is impractical to obtain a warrant for payment, an employee who is authorized to use a School District credit/purchase card may use the credit/purchase card to satisfy a vendor's invoice. Unless specific arrangements have been made with the Treasurer or Chief Financial Officer, the employee must return the vendor card or CSB Visa card the next business day along with supporting documentation explaining the charge(s) and purpose therefore. Failure to submit a timely claim may result in denial of the charge by the School District and may subject the person who made the charge to personal liability for the amount of the charge.

When the monthly statement is received by the School District from the Credit/Purchase Card Company, it will be reviewed and reconciled by the Treasurer for completeness and accuracy. The Treasurer will then present the supporting documentation and statement to the Chief Financial Officer for final review and both the Treasurer and Chief Financial Officer will sign off for payment authorization.

### **Other Issues**

1. A School District credit/purchase card is not a credit/purchase card for the personal use of the bearer. The credit/purchase cards will be used only for School District purposes. Credit/Purchase cards must be checked in and out through the Chief Financial Officer or Treasurer.
2. When obtaining or renewing the credit/purchase cards, the Board Treasurer will only encumber funds for the Credit/Purchase Card Company in the amount necessary to obtain the cards (i.e., the annual fee, if any). The charges made on the credit/purchase cards will be debited against the encumbrance, which is appropriate for each particular charge.
3. The employee who uses the credit/purchase card and signs the credit/purchase card slip is personally responsible to the Credit/purchase Card Company or the School District for payment of that charge if the Board declines to pay the charge. If the Board declines to pay a charge the employee who made the charge will immediately issue payment to the Credit/purchase Card Company for the amount declined. Proof of payment will be provided to the Board Treasurer immediately. Nothing in this policy prohibits the Board from paying the Credit/purchase Card Company for a charge and then pursuing the employee who made the charge for reimbursement. Use of a credit/purchase card by an employee is acceptance of the terms of this policy, which is a public record, and authorization to deduct amounts for unapproved charges from the next available payroll warrant(s) to satisfy unapproved charges.
4. The credit/purchase cards shall be applied for and issued in the name of the "Bixby Public Schools." The Visa Purchase cards shall be issued to “Bixby Public Schools” with the name of the individual employee to whom the District has designated to use the card. Subject to the Board of Education, Superintendent and the Credit/Purchase Card Company's right to collect the cards and cancel the account, the individual to whom the credit/purchase card is issued must maintain exclusive custody and possession of the credit/purchase card. The CSB Visa Card will be under the control of the Treasurer while the Visa Purchase Cards issued to the designated employees may not be loaned to another individual. The person to

whom the credit/purchase card is issued is personally responsible for each charge made on the credit/purchase card.

5. The Board and Superintendent both have the right to cancel one or more of the credit/purchase cards or account and/or order immediate collection of one or more of the credit/purchase cards. Cancellation or collection may be made with or without prior notice.
6. Gasoline credit/purchase cards and turnpike passes will be kept under the Superintendent's control and will be under the supervision and responsibility of the Director of Transportation.
7. Any modification of this policy shall be made solely by the Board of Education and shall be binding in all respects.
8. Violation of any of the provisions of this policy may result in dismissal or nonrenewal.

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