

(Adopted: 10/28/14)

## USE OF CREDIT AND PURCHASING CARDS

### 1.0 PURPOSE:

Wirt County Schools recognizes the value for credit card usage as an efficient and alternative method of payment and record keeping for the purchase of commodities and services, or for the payment of authorized travel expenses. Credit cards 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.

### 2.0 DEFINITION:

The following definitions provide clarification for terms used throughout this policy:

**Capitalization threshold:** The level at which capital assets are reported for financial statement purposes which include \$5,000 for all assets other than buildings and \$100,000 for buildings.

**Credit card:** A card authorizing the holder to buy commodities and services on credit.

**Commodities:** Supplies, materials, equipment, contractual services and any other articles or things used by or furnished to the school system.

**Individual statement:** A monthly statement of transactions for each purchase card issued to employees listing all activity charged on the card.

**Itemized invoice/purchase receipt:** Receipts must be itemized and include a description of the items purchased, unit price, quantity, and total cost. Receipts must show no balance due or marked "paid" and the method of payment made by such as by credit card.

**Purchasing Coordinator:** Individual employed by the Board who is assigned the responsibility of directing, supervising or performing the duties necessary to ensure proper purchasing of all necessary commodities and services.

**Purchasing (P-Card) credit card:** A credit card issued in the name of an employee to be used as an alternate method of payment for authorized purchases that do not exceed the transaction limit.

**Transaction limit:** The maximum amount that can be charged in a single transaction using an authorized purchase card.

**Surcharge:** An additional charge incurred for the convenience of paying by credit card.

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**Vendor issued credit cards:** A card issued by gasoline companies (such as Exxon) or general merchandise outlets (such as Wal-Mart, Sam's Club, Lowe's, etc.) which is generally used only for purchases from that particular vendor.

### 3.0 PROCEDURE:

The credit card program for Wirt County Schools includes the various vendor issued credit cards and the purchasing card provided through the P-Card Program created and administered by the WV State Auditor's Office.

The cards shall only be used in connection with approved school-related business. At no time may the cards be used for personal purchases or to obtain cash, cash advances or cash credits. Credit cards may not be used to pay a vendor that requires the payment of a surcharge. Cardholders are required to inform merchants that the purchase is being made for the Wirt County Board of Education and is not subject to state or local sales tax.

Credit cards cannot be used to purchase land, buildings, vehicles, or equipment whose cost is above the Board's capital asset control level threshold.

Individual schools must follow all procedures for use of credit cards with the exception that approved sponsors and chaperones who are not Board employees may also use the cards.

#### 3.1 Vendor issued credit cards:

- 3.1a Vendor credit cards are issued in the name of the Board.
- 3.1b Once the approved purchase order is ready, an employee may sign out the vendor card to complete the purchase. Upon completion, the card with the invoice/purchasing receipt must be signed and returned for proper safeguarding and payment processing.
- 3.1c The employee is responsible for all purchases made with the credit card while the card is in their custody.
- 3.1d No employee is allowed to let another employee use the credit card.

#### 3.2 Purchasing (P-Card) credit cards:

- 3.2a The Treasurer/Chief School Business official is responsible for administering the P-Card program; however, additional employees may

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be designated as P-Card Coordinators as necessary to assist and provide segregation of duties.

- 3.2b Individual transaction limits and credit limits are determined by the Coordinator and approved by the State Auditor's Office Local Government P-Card Division.
- 3.2c P-Cards will only be issued to approved, regular, full-time employees. Cards will not be issued to temporary or part-time employees, contractors, volunteers, or students. Each card will be issued in the name of the individual. 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.
- 3.2d To be issued a P-Card, employees must complete all required forms and attend training on procedures and responsibilities of P-Card use.
- 3.2e Each cardholder is responsible for reconciling the individual purchasing card statement every month which consists of matching itemized receipts in chronological order by date of purchase to the charges on the statement. All documentation is then forwarded to the Coordinator for review and payment.
- 3.2f Purchases may be made by phone, fax, mail, in person or by secured internet site. A secured internet site has a closed "lock" on the screen. Cardholders may use the P-Card for authorized travel expenses; however, since employees are provided per diem for meals when traveling, the P-Card cannot be used to purchase meals.
- 3.2g Lost or stolen P-Cards must be reported to the Coordinator within 24 hours to limit cardholder liability. Upon termination or separation of employment, the cardholder must cease use and return the card to the Coordinator.
- 3.2h 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

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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.

### **4.0 SEVERABILITY**

If any provision of this policy or application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this policy. Where questions arise on these regulations, the Superintendent of Schools is authorized to render decisions on matters.

### **Review Schedule**

This policy will be reviewed in accordance with the policy review schedule published by the Superintendent.

**Reference:** WV State Board Policy 8200, WV Code 12-3-10a