

## Purchasing Cards

The Board of Directors of the Naselle-Grays River Valley School District authorizes the issuance of purchasing cards to officers and staff for District purchases, acquisitions, authorized travel and other District-related expenses.

The Board shall approve any contract for the issuance of purchasing cards, including credit limits. The superintendent or designee is responsible for the authorization and control of the cards and associated expenditures, subject to final Board approval of payments.

The purpose of the purchasing card program is to improve the efficiency, flexibility, and convenience related to purchasing goods and services. Purchasing cards provide an alternative method for purchases. They are not intended to be used to avoid or bypass purchasing policies. Rather, purchasing cards are to be used within the same statutes, rules, policies, and procedures as other purchases by any other means of payment.

Within five (5) days of the receipt of each billing statement, the officer or staff member using a purchasing card shall submit a fully itemized expense voucher including receipts or invoices supporting purchases. Any charges not properly identified on the expense voucher or not allowed following review by the auditing officer shall be paid by the official or staff member. Any official or staff member who has been issued a purchasing card shall not use the card if any disallowed charges are outstanding.

All cards are the property of the District. Any staff member who has been issued a card shall immediately surrender such card if requested to do so by the superintendent or his/her designee. Any staff member who has been issued a purchasing card shall, at the earliest possible opportunity, notify the superintendent if the card(s) are lost or stolen.

Acceptable uses of purchase cards include:

1. Goods and services for official District purposes purchased in person, by mail, by phone, or over the internet
2. Purchases complying with all applicable District and state statutes, rules, policies, and procedures
3. Purchases within spending and other limits established on the card

Unacceptable uses include, but are not limited to:

1. Cash Advances
2. Purchases in excess of the limits authorized for the card
3. Gifts/donations
4. Splitting purchases to circumvent the daily or monthly purchase limits on a card, or to avoid competitive bidding limits or purchasing authority limits
5. Purchases from any merchant, product, or service normally considered to be inappropriate use of District funds, including, but not limited to:
  - Items for personal use
  - Materials or services from any member of the card user's immediate family
  - Equipment, materials, services, or supplies restricted by District or state statutes, rules, policies, procedures, guidelines or contractual agreements
  - Alcoholic beverages or other intoxicating substances

The superintendent shall establish procedures for the issuance and use of purchase cards.

**References:** Board Policy 6213 Reimbursement for Travel Expenses

**References:** RCW 42.24.115 Municipal corporations and political subdivisions  
Issuance of charge cards to officers and employees for travel expenses

## **Use of District Purchasing Cards**

The Board of Directors of the Naselle-Grays River Valley School District recognizes that efficiency and flexibility are important to the District's financial effectiveness and overall operation.

The Board understands that the use of purchasing cards is a customary business practice which may reduce processing time, provide more purchasing flexibility and control to departments, and reduce transaction handling costs.

The District has authorized the use for purchasing cards for approved District purchases, acquisitions, course registration, dues, and travel. The District shall maintain a written agreement with the card provider (bank). The superintendent or his/her designee shall act as the program administrator of the purchasing card program.

### Credit Limits

Credit limits for each card are established by the superintendent.

### Distribution of Purchasing Cards

Purchasing cards may be issued in a variety of formats, depending on the needs of the District. Some examples include, individual employees for on-going needs, departments in need of purchases or services, or teams and/or groups travel status.

### Employee Issued Purchasing Cards

Purchasing cards will be issued to employees based on their need to purchase materials for the District and/or provide for District travel. Each card will identify the individual card holder and also clearly identify the card as belonging to the Naselle-Grays River Valley School District. Cardholders must:

- be approved by the superintendent
- receive initial training prior to being issued a card
- read, understand, and sign a Memorandum of Understanding – User Agreement.

The Memorandum of Understanding shall define the appropriate use of the purchasing card, steps to take in the event the purchasing card is lost or stolen, requirements for submitting documentation of allowable charges, criteria for cancellation of card privileges, and provision for collecting reimbursement for unauthorized charges. Cardholders will complete additional training as required.

In the event of the employee's transfer or separation of service from the District, the purchasing card shall be immediately surrendered to the District Office. Purchasing cards must also be immediately surrendered upon demand or request of the superintendent or his/her designee at any time for any reason.

The aggregate total of the purchasing cards will not exceed \$75,000 monthly.

### Department Issued Purchasing Cards

A purchasing card issued to a department presents a higher risk of fraud and requires additional safeguards. These purchasing cards will be issued to departments based on the need for individual staff members to occasionally purchase materials for the District and/or provide for District travel. Each card will identify the school or department and also clearly

identify the card as belonging to the Naselle-Grays River Valley School District. A custodian of the school or department purchasing card must be appointed with the following criteria:

- be approved by the superintendent
- receive an initial training prior to being issued a card
- oversee the check-out and check-in procedures
- safeguard the purchasing card while in their possession.

#### Purchasing Card Check-Out and Check-In Procedures

Individual staff members requiring use of the department purchasing card must:

- complete a Purchasing Card Check Out/In form
- adhere to the District's allowable and non-allowable purchasing card policy/procedures
- safeguard the purchasing card while within their possession
- return the department purchasing card within the next business day after the transaction is complete or one day after returning from travel
- provide documentation in detail and supported by original, itemized receipts within one business day after the transaction is complete or returning from travel.

#### Allowable Charges

Purchasing cards will be used for the payment of authorized expenses on behalf of the District, which include supplies, dues, registrations, and travel.

Use of purchasing cards for travel must be consistent with travel guidelines set forth in Policy (6213) and Procedure (6213P) – Reimbursement for Travel Expenses.

Any purchase of equipment over \$5,000 must be pre-approved and be bar-coded for fixed asset tracking consistent with District guidelines.

All charges must be documented in detail and supported by original, itemized receipts.

#### Non-Allowable Charges

Purchasing cards may not be used by an unauthorized individual. Purchasing cards may not be used for the following:

- Cash advances
- Salary and wages
- Gifts, gift cards, flowers
- Floral arrangements unless pre-authorized
- Donations to charity
- Personal services or consultant agreements
- Personal use or non-District purposes
- Purchases of goods for which the District has a bid
- Restaurant meals for employees within the boundaries of the District unless pre-authorized
- Fixed assets over \$5,000 unless pre-authorized.

Pre-authorization and/or exceptions to allowable and non-allowable charges must be obtained from the superintendent.

#### Payment of the Purchasing Card Bill

Payment of the purchasing card bills will be by District warrant or electronic funds transfer and will adhere to the purchasing card agreement between the card provider (bank) and the District.

The cardholder must provide documentation of all charges. This documentation shall consist of itemized merchant receipts of all transactions. Card account statements provided by the bank shall be reconciled by the cardholder or budget authority/designee within the deadlines established by the Office Manager. Each transaction on the statement must be verified against itemized receipts. The superintendent must review and approve all purchases listed and documented on the monthly card account statements.

Documentation and approval of all card transactions will be subject to audit by the District Office and the State Auditor's Office.

Recourse for Disallowed Charges and Misuse of the Purchasing Card

Any charges against the purchasing card not properly identified or not allowed following the audit required under RCW 42.24.080 shall be paid by the cardholder by check, United States currency, or a salary deduction.

If, for any reason, disallowed charges are not repaid before the purchasing card billing is due and payable, the District shall have a prior lien against and a right to withhold any and all funds payable or to become payable to the cardholder to an amount of the disallowed charges and/or interest at the same rate as charged by the card provider.

Any cardholder who has been issued a purchasing card shall not use the card if any disallowed charges are outstanding and shall surrender the card upon demand of the superintendent or his/her designee.

The District shall have unlimited authority to revoke the use of any purchasing card issued under RCW 42.24.115, and upon such revocation order being delivered to the cardholder, shall not be liable for any costs.

Loss, Theft, or Unauthorized Use of Purchasing Card

Any charges not made by the cardholder should be considered fraudulent and reported immediately to the District Office. The District Office will report the fraudulent charges immediately to the card provider and may result in the cancellation and reissue of the card. Loss of the card should be reported immediately to the District Office. The bank will put an immediate hold on the purchasing card.