

IACTION MEMORANDUM

TO: Bibb County Board of Education

FROM: Sharon Roberts, Chief Financial Officer
Canon Hill, Jones Cork, LLP

SUBJECT: DJEAC - Purchasing or Credit Card Use **(Second Reading)**

Summary

The District is presenting Policy DJEAC, Purchasing or Credit Card Use, for second reading.

Background

Minor revisions are made to Policy DJEAC, Purchasing or Credit Card Use, to make the language in this policy consistent with other District policies. A new provision is added to Policy DJEAC outlining the Board's expectations regarding any regulations or procedures on the use of purchasing cards in the District.

A new Regulation, DJEAC-R(1), Purchasing or Credit Card Use, sets forth the current requirements in the District regarding the use of purchase cards by District employees. The new Regulation addresses the procedures for purchase cards, the roles and responsibilities of individuals required to monitor the use of the purchase cards, the internal audit process, and the District's response to potential violations.

Next Steps

It is recommended that the Bibb County Board of Education approve the revision of Policy DJEAC, Purchasing or Credit Card Use.

Superintendent's Comments and Approval:

Superintendent's comments	Approve/Disapprove
Dr. Dan A. Sims	Approved

BOARD POLICY
Purchasing or Credit Card Use

Descriptor Term: DJEAC
Date: XXXXXX XX, 2023

The Bibb County Board of Education ("Board") authorizes the use of purchasing cards ~~and credit cards~~ by authorized employees ~~and board members~~ for purchases of items or services that directly relate to ~~such the~~ card user's duties or responsibilities for the Bibb County School District ("District") ~~school district~~ in accordance with procedures established by the Superintendent or his or her designee. Such regulations or procedures will provide for the following:

1. Designation of users who are authorized to be issued ~~d~~District purchasing ~~or credit~~ cards;
2. A requirement that, before being issued ~~such purchasing~~ cards, authorized users ~~shall sign and accept~~ must accept and sign an agreement that they will use ~~such purchasing~~ cards only in accordance with ~~the d~~District's policies, regulations, and procedures;
3. Transaction limits for the use of ~~such purchasing~~ cards;
4. A description of purchases that ~~shall will~~ be authorized for use of such cards;
5. A description of purchases that ~~shall will~~ not be authorized for use of such cards;
6. Designation of the District's purchase card administrator;
7. A process for auditing and reviewing purchases made with ~~such purchasing~~ cards; and
8. Provisions for addressing a violation of purchasing ~~or credit card~~ policies, regulations, or procedures and ~~imposing the~~ penalties imposed for violations including, but not limited to, revocation of card privileges.

BOARD POLICY
Purchasing or Credit Card Use

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1. Designation of users who are authorized to be issued District purchasing cards;
2. A requirement that, before being issued purchasing cards, authorized users must accept and sign an agreement that they will use purchasing cards only in accordance with District policies, regulations, and procedures;
3. Transaction limits for the use of purchasing cards;
4. A description of purchases that will be authorized for use of such cards;
5. A description of purchases that will not be authorized for use of such cards;
6. Designation of the District's purchase card administrator;
7. A process for auditing and reviewing purchases made with purchasing cards; and
8. Provisions for addressing a violation of purchasing policies, regulations, or procedures and the penalties imposed for violations including, but not limited to, revocation of card privileges.

REGULATION
Purchasing or Credit Card Use

Descriptor Term: DJEAC-R(1)
Date: XXXXXX XX, 2023

A. Purpose

A purchase card program can be an efficient and cost-effective means to purchase goods and services that benefit the Bibb County School District ("District") and its students. The purpose of this Regulation is to provide guidelines for District employees to follow when using purchasing cards (or "P-Cards").

This Regulation will apply to all employees participating in the P-Card program and is intended to provide flexibility to make small dollar purchases as well as travel arrangements and seminar/conference reservations when needed. The P-Card program is intended to reduce the use of petty cash and small amount purchase orders. Goods requiring solicitation of bids should be directed to the Procurement and Receiving Department.

B. Procedures

1. Issuance of P-Cards

P-Cards will be issued to an employee only at the direction of the employee's Department Head. Any employee issued a P-Card will be required to accept and sign an agreement that the employee will use the purchasing card in accordance with District policy, regulation, and procedure. P-Cards will be surrendered and accounts closed upon termination of employment with the District for any reason.

2. Transaction Limits:

The following limits will apply regarding purchases made with District P-Cards:

1. Dollar limit per transaction - \$2,000 - \$10,000
2. Billing cycle dollar limit- \$20,000

Transactions for travel, such as hotel stays covering multiple days that exceed \$500, must be approved by the employee's Department Head prior to travel. Other transactions not meeting the limits outlined within this Regulation must be approved by the appropriate District administrator prior to purchase.

3. Purchases

Under no circumstances is a purchasing card program participant permitted to use the P-Card for personal purchases. All P-Card transactions will be related to official District business. Purchases will not be split to stay within the purchasing limits established above.

Allowable purchases include, but are not limited to: employee travel and training,

seminars, professional membership dues, building supplies, cleaning supplies, vehicle or computer parts, safety supplies, shipping/postage, office supplies and emergency purchases.

Prohibited purchases include, but are not limited to: alcoholic beverages, cash advances, gifts, gift cards, legal services, medical services, computer hardware and software, personal items, and unbudgeted items.

Additional procedures to use P-Cards are required when utilizing federal funds.

C. Roles and Responsibilities

1. *P-Card Program Administrator.* This Employee will serve as the liaison with the bank handling the District's purchase card program. The P-Card Program Administrator will coordinate the issuance of cards, maintain card limits, cancel cards as necessary, and ensure balances due are paid in a timely manner. The P-Card Program Administrator will also monitor the timely receipt of transaction logs, record each transaction within the accounting system, publish the annual due date schedule for completed transaction logs, assist in maintaining the program policy and procedures, provide training as needed, and perform any other task related to the P-Card Program as assigned by the Chief Financial Officer.
2. *P-Card Holder or Department Designee.* Each Department Head will designate a P-Card Holder or Department Designee. This employee will be responsible for securing account numbers, expiration dates, and security codes for all P-Cards assigned to individual employees or to the Department. The Department Designee will also ensure only job-related goods or services allowed under the P-Card program are purchased and the P-Card bi-weekly billing statement is reconciled. The reconciliation will be considered complete when a completed transaction log is submitted to the Finance Department by the scheduled due date along with an itemized receipt or invoice for each transaction attached confirming state sales tax has not been charged (exception for meals). The transaction log must be signed by the card holder or Department Designee and the Department Head.
3. *Department Heads.* All Department Heads are responsible for determining which employees will be issued a purchasing card, notifying the Finance Department when such employee terminates employment with the District, approving and signing each billing statement transaction log for their department's purchases, and verifying funds are available in the department's budget. Department Heads must also immediately report any suspected abuse to the Procurement and Receiving Director.

D. Internal Audit

The Procurement and Receiving Department will review each departments' P-Card transaction logs and verify that the receipts submitted did not charge sales taxes (exception for meals), the amounts charged reconcile to the billing statement, and the

accounting codes assigned are accurate. The Procurement Director or their designee will conduct a bi-weekly audit to verify the spending activity relative to the established guidelines and compliance with the P-Card policy. The audit will be no less than ten percent (10%) of the number of cards with activity and shall be conducted on at least two cards. The selection process for the internal audit will be based on a random selection process.

Additionally, the Chief Financial Officer (or designee) and assigned accounting/procurement staff will conduct internal audits of all transactions that warrant a further review or explanation.

F. Violations

Failure to comply with this Regulation will be considered a violation of the P-Card Program and will be reported to the Human Resources Department for further investigation. The following actions and or disciplinary measures may be implemented as appropriate.

1. First Violation - 30-day P-card Suspension
 - Written Warning.
 - Immediately pay back any misappropriated funds or unallowed expenditures.
2. Additional Violations - Removal from the P-card Program and Discipline
 - Possible discipline includes up to 5-day Suspension, without pay.
 - Termination may be necessary for serious offenses.
 - Immediately pay back any misappropriated funds or unallowed expenditures.