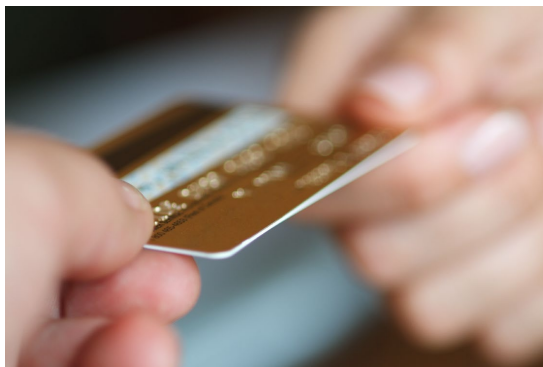




# LACKLAND

Independent School District

## Credit Card Manual



# Credit Card Policies and Procedures

## Overview

### Purpose:

The purpose of this manual is to:

- establish operating procedures for the use of District Credit Cards; PCards and Travel Cards have been consolidated to one card for use by district employees, board members or other authorized officials.
- establish purchasing allowable and non-allowable purchases and expenses.
- establish purchasing thresholds.
- establish card holder responsibilities and consequences for non-compliance.

### Recent Changes:

Changes and/or updates to the procedures are highlighted in yellow.

### Forms:

All district forms and documents are highlighted in blue.

### References:

- None

## Introduction

The purpose of the credit card program is to establish a more efficient, cost-effective method of purchasing, paying for small dollar transactions as well as high volume, repetitive purchases, and efficiently disbursing travel funds to the employee for travel purposes.

Rather than issuing a check to a hotel and for other travel-related expenses, we will assign a travel card to the traveler for the estimated travel expenses. The credit card can be used, subject to the Credit Card Guidelines, with any travel-related merchant that accepts MasterCard as a form of payment. The travel related merchants' that have been pre-approved include hotels, parking and transportation such as taxis, rental cars, shuttles, etc. Airline flights are purchased through the Business Office and will therefore not be included as an approved merchant. Every traveler will receive an accounts payable check for estimated meal per diem as approved on a travel form; therefore, meals may not be purchased with a travel card. **A Travel Authorization -Settlement Form must be submitted for all estimated travel expenses. Itemized receipts are required for all expenses with the exception of the meal per-diem.**

### **Credit Cards or Travel Cards are issued for two major purposes:**

1. **Single travel events** – a travel card is issued to a traveler before a travel event with preset dates and credit line. The travel dates are set from the documented departure date to the return date. The credit line is set to cover all anticipated expenses submitted on a Travel Authorization Form. A purchase requisition for ALL anticipated expenses is required BEFORE all travel events.
2. **Recurring travel events** – a travel card is issued to a district employee that either has recurring travel events (such as an athletic coach) or a campus/department staff member that is charged with making hotel, shuttle, or other reservations for assigned staff. The travel dates (effective dates) are set from September 1<sup>st</sup> through August 31<sup>st</sup> each fiscal year. The credit limit is to a reasonable amount based on the anticipated usage. A purchase requisition for ALL estimated recurring travel events is required BEFORE the 1<sup>st</sup> recurring travel event.

The Credit Card program is designed as an alternative to the traditional purchasing process (campus and departmental purchase orders) for supplies, materials and equipment. The purchasing card can be used, subject to Lackland ISD guidelines, with any supplier that accepts MasterCard as a form of payment.

If used to its potential, the purchasing card and travel card program will result in a significant reduction in the volume of purchase orders and related documentation including invoices and checks. In addition, corresponding work processes associated with purchasing and accounts payable functions should be reduced and/or eliminated.

## General Information

**These policies and procedures provide the general guidelines for using a district issued credit card.** Please read them carefully. Your signature on the *Cardholder Agreement* reflects that you understand the intent of the program and agree to follow the established guidelines.

### **The following important points should be reviewed before using the purchasing card:**

The purchasing and travel cards are now one card issued in your name; these are the cards referred to as District Issued Credit Cards. For those employees who do not travel often the district has travel cards issued with Lackland ISD's name on them. All purchases made on the district card must be only yours. You are responsible for the security of the district issued credit card and the transactions made with it. If you do not follow these guidelines when using the district issued credit card, you will be subject to disciplinary action and possibly termination of your employment with Lackland ISD.

- You can use the district issued credit card at any vendor or service provider that accepts

MasterCard and is not on the restricted vendor list. It may only be used for in-person purchases.

- The purchasing card **may only** be used for Internet, mail, telephone, or fax orders with direct permission from the Chief Financial Officer.

- The district issued credit card may only be used to purchase items that are included in a currently approved budget line item.

- **You may use the district issued credit card to purchase supplies less than the single transaction limit that has been established [\$200]. Multiple, consecutive purchases that exceed the single transaction limit are strictly prohibited.**

- **Any district issued card purchase that will exceed \$200 must be submitted for approval through the Ascender Requisition system. Upon receipt of an approved purchase order, the credit purchase may be made by the cardholder.**

- **District issued credit card purchases with federal grant funds (such as Title I, DODEA and the NSLP) are not allowable unless the purchase has been pre-approved on a purchase order. Itemized receipts are required for all federal grant fund purchases.**

- You may not exceed the credit limit assigned to your card in a given month or fiscal year.

- When using your district issued credit card for travel purposes, travel cost should have been pre-approved on a Travel Authorization Form.

- **All itemized receipts for purchases must be submitted within 5 days of each purchase.**

- The detailed original receipts for purchases must be submitted within 5 days of each purchase with the Travel Settlement form. **NOTE:** Hotel reservations that require a one-night deposit must be submitted to the Business Office as part of the Travel Authorization and requisition process to ensure prompt payment of the pre-travel event expense.

- The business office will reconcile the statement received from Citibank to ensure all charges are accurate. The statement will be reconciled using your receipts, so it is critical that all receipts be submitted on a timely basis. **Failure to submit the detailed receipts may result in the suspension of your card privileges.**

- District issued credit cards are not intended to avoid or bypass appropriate purchasing or payment procedures as outlined in Board Policy CH or the Lackland ISD Fiscal Manual.

## **Duties and Responsibilities**

### ***Program Administrator – (Chief Financial Officer)***

The Program Administrator is designated to answer questions, address issues and oversee the administration of the program. The Program Administrator has a direct relationship with Citibank. All district issued credit card requests must go through the Program Administrator.

### **Finance Coordinator**

The Finance Coordinator shall assist the Program Administrator in answering questions and ensuring compliance with fiscal guidelines. The Finance Coordinator shall assign the travel cards to travelers and load the travel dates and estimated credit limit based on the approved Travel Authorization form. The Finance Coordinator shall also reconcile the monthly statements and contact cardholders, as necessary, to resolve discrepancies and/or disputed charges.

**Cardholder** – A cardholder is designated by the Budget Manager to utilize the district issued credit card for purchasing small dollar supplies, materials, and/or travel. The cardholder is responsible for following the guidelines regarding purchases, selection of vendors, protection of the card, and timely submission of receipts. **All receipts must be submitted within 5 days of each purchase on a P-Card Settlement form or a Travel Settlement Form. Non-emergency purchases should have a requisition in place prior to the use of a district issued credit card.** P-card logs with attached receipts must be turned in to the Business Office

within five days. If no log is turned in on a timely manner, charges will be posted to the Campus Activity Account in an effort to pay all invoices on a timely basis. P-Card logs should not exceed \$200 in expenses. The cardholder shall immediately submit the detailed receipt or reimburse the Campus Activity Account for the unsupported expenditure(s). In addition, a cardholder who fails to submit receipts on a timely basis shall immediately submit reimbursement of the charges **and** may be subject to disciplinary action and revocation of the district issued credit card privileges.

### **Budget Manager – (Principal/Administrator)**

The Budget Manager is responsible for designating cardholders and for approving district issued credit card receipts, P-Card Settlement forms, and Travel Authorization/Settlement forms of cardholders to ensure they are within District policy. The Budget Manager shall also assist in assigning cardholder spending limits and monitoring adherence to purchasing card regulations. The Budget Manager is responsible for retrieving district issued credit cards in the event of termination or change in the employment status of a cardholder under their supervision.

**Customer Service** The purchasing and travel card program is serviced using a team approach with Citibank's Customer Service Center. This center is available 24 hours a day, 7 days a week to assist the cardholder with general questions about the district credit card account. If a card is lost or stolen, Customer Service should be notified immediately and then the Program Administrator.

### **Credit Rating & Liability**

The program does not affect **your** personal credit rating in any way. The purchasing card program carries corporate, not individual credit liability.

### **Purchasing Card Controls & Procedures**

#### **Credit Limits**

All purchasing cards have annual, declining balance cardholder spending limits. Limits may vary for each cardholder and will be established by the Program Administrator in conjunction with the Budget Manager.

All travel cards have spending limits that are valid only for the days of travel. The limit shall be based on preapproval travel expenses on the Travel Authorization form. Exceptions are made for travel cards used for recurring travel events. It shall be the cardholder's responsibility to ensure that they monitor their remaining credit limit and request additional credit, as applicable.

Each cardholder shall be given information on the limits of his/her card upon signing up for the program. In order to change limits on any card, a principal or administrator should forward a request in writing (via email is acceptable) to the Program Administrator. Upon approval, the Program Administrator and/or Finance Coordinator shall forward the request to Citibank for processing. *\* Please allow 1 to 2 days to process any changes \**

#### **Transaction Limits**

Your district issued credit card may have a single transaction limit. Most cardholders will have a \$200 per transaction limit. This is the amount available on the purchasing card for a single purchase. Cardholders should not attempt to make a purchase greater than his/her approved amount. It is the cardholder's responsibility to ensure that available credit exists on their card before attempting a purchase by calling the 24-hour Customer Service phone number. **Cash or personal credit card purchases in lieu of using the district issued credit card may be subject to non-reimbursement.** The Program Administrator shall approve all changes to transaction limits, if any.

#### **Restricted Vendors**

The purchasing and travel card program will be restricted for use with certain types of suppliers and merchants. If you present your district credit card for payment to restricted vendors, the authorization request

will be declined. Requests to change authorized suppliers or merchants shall be forwarded in writing (via email is acceptable) by the principal or director to the Program Administrator. District issued credit cards should not be used to purchase meals for travel related purposes.

### **Issuance of Credit Card**

District issued credit cards and travel cards will be centrally distributed through the business office. When a new card is issued, Citibank will send it to the Program Administrator for distribution to the cardholder. Cards will be released to cardholders after training and receipt of a signed cardholder agreement. At year-end, all credit cards for campus staff will be collected in May/June as part of the check-out procedures and stored at the district office until the following school year.

### **Credit Card Activation**

All credit cards will be activated and a PIN number set. The cardholder must call Customer Service to change the PIN number before using the credit card. Upon receipt of the card, the cardholder should sign the back of the purchasing card and always keep the card in a secure place. You will need the pin # issued by the business office. (Do not use your social security number, it is not your pin). For privacy reasons, we have opted to use pin #s, rather than the last four digits of your social security number. You will need to create an additional pin # (you can use the same pin #) to use your card due to the enhanced security of the card, i.e. microchip). After three failed PIN attempts the card will be locked and the PIN must be reset for the card to work again.

### **Receipts**

Always obtain a detailed receipt when using the district issued card. It is every cardholder's responsibility to ensure there is a receipt for each purchase. Detailed receipts must be presented for purchases – **the credit card charge slip is not considered adequate documentation.**

The original, detailed credit card receipts shall be submitted within 5 days of the purchase with a PCard Log. After approval by the campus principal or administrator, the PCard Log and receipts must be forwarded to the Finance Coordinator. **Under no circumstances should a PCard log be turned into the business office with multiple purchases or exceed the amount of \$200.** Itemized receipts related to travel charges should be submitted with the Travel Settlement Form with all appropriate signatures to the business office within 5 days of travel.

All receipts will be reconciled with monthly statements and filed for audit purposes after the appropriate payments have been made to Citibank. If a receipt is lost or stolen, the cardholder should obtain duplicate copies of the receipts, if possible. In some cases, a written, certified statement from the cardholder may be accepted as acceptable documentation. If a receipt or acceptable written, certified statement is not submitted to the business office, the charges may become the personal responsibility of the cardholder. If an employee owes the district funds after use of a district issued credit card, reimbursement must be submitted to the business office within 30 days of the purchase.

### **Lodging, Sales and Use Tax**

The District is a tax-exempt entity and does not pay sales tax for school-related purchases in the State of Texas. The cardholder should present a sales tax exemption form when making school-related purchases.

A traveler must present a Hotel Occupancy Certificate to the hotel upon check-in to avoid state taxes on lodging at the hotel. A Tax-Exempt Certification should also be given to the hotel at the time of check-in to prevent the being charges taxes on any parking incurred during the hotel stay. The District is not exempt from city lodging charges. A Hotel Tax Exempt Certification is not good outside the State of Texas. Copies of both the Hotel Occupancy Certificate and Tax-Exempt Certification should be given to you with your travel

check prior to your trip. In the event they are not, both forms are available on the District's Business Department Forms webpage. If the cardholder fails to present a Sales Tax Exemption form or the Hotel Occupancy Certificate at the time of registration and taxes are charged on the travel card, the cardholder shall be personally liable for reimbursement of all taxes with the Travel Settlement Form. Reimbursement of said taxes are due 30 days from date of purchase.

## **Returns, Credits, and Disputed Charges**

Should a problem arise with a purchased item, every attempt should be made to first resolve the issue directly with the supplier. All returns must be reimbursed by a credit to the District's account. Cash refunds are prohibited. Credit slips should be submitted in accordance with district guidelines.

## **Security of the Purchasing card**

The cardholder is responsible for the security of the card. You must guard the credit card account number carefully. It should not be posted in a work area or left in a conspicuous place. It should be kept in a secure location. If the credit card is lost while traveling, it is the employee's responsibility to immediately report the card lost or stolen. The employee is then responsible for all pre-approved travel charges on his/her personal credit card. The District shall reimburse all pre-approved, travel related expenses made with personal funds upon receipt of the detailed receipts and the Travel Settlement Form.

## **Violations & Consequences**

The only person authorized to use the district issued credit card is the cardholder whose name appears on the card. The card is to be used for school business purposes only. The card is not intended for personal use. **Personal purchases will be considered misappropriation of District funds, a criminal offense, and will be reported to the proper authorities.** The card must not be used for other travelers, or non-employee (such as family) expenses.

Inappropriate use of the card or failure to abide by the Policies and Procedures will result in revocation of the card and appropriate disciplinary action, including termination of employment. If an employee's credit card privileges are revoked, the traveler shall pay for all travel related expenses with his/her own cash or credit card. The travel related expense will be reimbursed with an accounts payable check after the trip upon receipt of all detailed receipts and Travel Settlement Form.

## **Employee Resignation or Termination**

The purchasing card must be returned to the Program Administrator or Budget Manager upon resignation or termination from employment with the Lackland Independent School District.

## **Lost or Stolen Cards**

If a purchasing card is lost or stolen, immediately contact Citibank's Customer Service (1-800-248-4553). After contacting Citibank, please notify the Program Administrator (Demetria Jimenez @ [Jimenez.d@lacklandisd.net](mailto:Jimenez.d@lacklandisd.net)) or Finance Coordinator (Lindsey Adams @ [Adams.l@lacklandisd.net](mailto:Adams.l@lacklandisd.net)). Prompt action can reduce the District's liability for fraudulent activity.

## **Examples of Acceptable Purchases (All of these purchases should be made with an approved purchase order in non-emergency situations).**

Tools/Hardware/Auto Parts (Maintenance Department only)  
Office Supplies (except Office Depot)  
Classroom Materials, Books, Instructional Materials  
Food Supplies (For instructional purposes or refreshments/meals for meetings)  
Technology software and supplies (requiring online payment or subscription) – with pre-approved purchase order – Technology department only  
Hotel Charges

Parking Charges

Transportation charges such as a rental car, taxi, shuttle, Uber, Lift, etc.

**Examples of Unacceptable Purchases**

Services (Of any Type)

Supplies from Office Depot (must be purchased through the on-line purchasing system to obtain the discounted, state contract pricing)

Equipment, Computers, Software, etc.

Capital Items – any single item with a per unit cost over \$5000.

Personal Items

Cash Advances

Alcoholic Beverages

**These examples are for illustration only. When in doubt, please contact the Program Administrator, Budget Manager or Finance Coordinator for clarification. Exceptions, if any, must be approved by the Program Administrator prior to the purchase.**



## COMMONLY ASKED QUESTIONS & ANSWERS

**For what types of purchases should I use the purchasing card?** The District governs how you can use the district issued credit card. The Program Administrator, along with your Budget Manager will determine the types of purchases, as well as the maximum dollar amount for which you will be authorized.

**In what ways do I benefit from using the district issued credit card?** When you use the purchasing card, you enjoy reduced paperwork, direct purchase of small, routine or emergency supplies.

**How does the District benefit from the district issued credit card program?** When employees use the district issued credit card, the District enjoys greater productivity as a result of reduced paperwork, and savings from consolidated supplier invoices on one statement.

**What should I do if my district issued credit card is lost or stolen?** Call Citibank Customer Service immediately, to report the purchasing card missing and request a replacement and, notify the Program Administrator as soon as possible.

**What do I do if a purchase is denied?** Your purchase may have exceeded a spending or transaction limit, the District may have excluded that type of supplier or merchant, or the supplier or merchant is not equipped to accept MasterCard as payment. Contact the Finance Coordinator or Program Administrator to determine the reason. If the merchant can be added as an approved vendor, you can reattempt your purchase after Citibank has added the merchant to the credit card program. If your card limit has been exhausted, you should not make the purchase with your personal funds as the purchase may not be approved for reimbursement by your Budget Manager and/or Program Administrator.

**What should I do if I want to change the “per month” or “per transaction limits?”** Contact your Principal or Administrator, who will contact the Program Administrator. Spending limits are not automatically approved. Every attempt will be made to maintain standard spending limits across various departments, programs, and employee types.

**What should I do if a supplier does not accept the district issued credit card?** Contact the Finance Coordinator, who will then contact Citibank. Please provide the supplier's name, address, and phone number.

**Will use of the district issued credit card affect my credit report?** No. The credit card is a corporate liability card, and carries no personal liability for cardholders that use the purchasing card according to District policy and procedures.

**Whom should I contact to resolve an error or dispute concerning my account?** You should first contact the supplier. Most exceptions or issues can be resolved between you and the supplier. If you cannot resolve an issue with the supplier, contact the Finance Coordinator for a Dispute Form.

**When I use my purchasing card to make a purchase, how is the transaction authorized?** When you use the district issued credit card to make a purchase, the supplier verifies the account number with Citibank. Your spending limits are checked automatically against District policy and procedures.

**LACKLAND I.S.D.**  
**DISTRICT ISSUED CREDIT CARD AGREEMENT**

I, \_\_\_\_\_, hereby request a Lackland ISD Credit Card. As a cardholder, I have read, understand and agree to comply with the Lackland ISD Credit Card Policies and Procedures.

1. I understand that I am being entrusted with a valuable tool. I will be making financial commitments on behalf of The District. I will obtain the best value for Lackland ISD by using the card wisely and with discretion.
2. I agree to use this card for official approved work-related expenses. I fully understand that misuse or abuse of the card will result in revocation of the card and in appropriate disciplinary action which may include termination of my employment. I also agree to attend training on the use of this card as prescribed by the Program Administrator.
3. I agree that I will not use this card to pay for unauthorized expenses, such as:
  - State taxes for purchases within the State of Texas, including sales and hotel taxes
  - Personal items
  - Cash advances
  - Alcoholic beverages

This is not an exhaustive list of prohibited purchase, only a couple of examples.

4. Policy violations include, but are not limited to:
  - Purchasing items for personal use or non-district business purposes
  - Exceeding the card transaction dollar limit of \$200, without an approved purchase order
  - Using the card for federal funded purchases
  - Using the card for travel-related expenses
  - Failure to turn the card over to the card administrator when appropriate
  - Failure to submit proper documentation (receipts) within 5 days of each purchase
  - Allowing the card to be used by someone else
5. I agree to return the card immediately upon request or upon termination of employment (including retirement and resignation). Should I be transferred, qualify for extended leave or undergo an organizational change which causes my duties to no longer necessitate the use of the card, I agree to return it immediately and arrange for a new one as may be appropriate.
6. I agree that if the card is lost or stolen, I agree to immediately notify Citibank (#1-800-248-4553) and the Lackland ISD Program Administrator (Demetria Jimenez @ Jimenez. d@lacklanisd.net) verbally and in writing.

Specific Uses or Restrictions: \_\_\_\_\_

\_\_\_\_\_  
Employee Signature/Campus/Department

\_\_\_\_\_  
Date

\_\_\_\_\_  
Supervisor Signature/P-Card Administrator

\_\_\_\_\_  
Date

Transaction Limit: \$ \_\_\_\_\_ Monthly Limit: \_\_\_\_\_ Annual Limit: \$ \_\_\_\_\_

**LACKLAND ISD  
PURCHASE TRANSACTION LOG**

[Attach to this form all receipts, packing slips, invoice copies, etc.]

**Should Not Exceed \$200 and not be for multiple credit card purchases**

Cardholder \_\_\_\_\_ Campus/Dept. \_\_\_\_\_ Date \_\_\_\_\_

Purchase			Total	Budget
Date	Vendor	Purpose	Charge	Code

Grand Total \$ \_\_\_\_\_

I certify that the above listed items have been purchased by me for the sole and exclusive use of Lackland ISD. I fully understand that personal purchases or other misuses of my procurement card are clear violations of the Lackland ISD Purchasing Card Policies and Procedures and that such violation can result in disciplinary action, termination and/or criminal prosecution.

Cardholder Signature \_\_\_\_\_ Date \_\_\_\_\_

Supervisor Approval \_\_\_\_\_ Date \_\_\_\_\_