

Community ISD

Policies and Procedures

Purchasing Card Program

Introduction

The Purchasing Card (P-Card) Program for this Texas school district is designed to provide an efficient, cost-effective, and accountable method for purchasing approved goods and services necessary to support district operations, instructional programs, and campus activities. The program streamlines the procurement process for small-dollar purchases while maintaining compliance with district policies, state purchasing laws, and sound financial management practices.

This manual establishes the guidelines, procedures, and responsibilities governing the use of district-issued purchasing cards. It is intended to ensure that all purchases are conducted in accordance with applicable provisions of the Texas Education Code, local board policies, district purchasing procedures, and accepted standards of ethical conduct. The use of a purchasing card is a privilege granted to authorized employees and carries with it the responsibility to exercise good judgment, proper stewardship of public funds, and adherence to all purchasing requirements.

The objectives of the Purchasing Card Program are to:

- Simplify and expedite the purchasing process for approved transactions;
- Reduce the administrative costs associated with small-dollar purchases;
- Improve operational efficiency while maintaining internal controls;
- Ensure accountability and transparency in the expenditure of district funds; and
- Provide clear guidance regarding allowable purchases, documentation requirements, and cardholder responsibilities.

All employees participating in the Purchasing Card Program are expected to familiarize themselves with the contents of this manual and comply with all procedures outlined herein. Failure to follow established guidelines may result in suspension or revocation of purchasing card privileges, disciplinary action, reimbursement of unauthorized expenditures, and/or other corrective measures deemed appropriate by the district.

Questions regarding the Purchasing Card Program or the interpretation of this manual should be directed to the District's Purchasing Department or Finance Office.

General Information

These policies and procedures establish the general guidelines governing the use of the Community ISD Purchasing Card (P-Card) Program. All cardholders are required to read and understand this manual prior to using a district-issued purchasing card. The Purchasing Card Program is intended to provide an efficient method for purchasing approved goods and services while maintaining compliance with applicable district policies, internal controls, and state purchasing requirements.

By signing the Employee Procurement Card Agreement, the employee acknowledges that they understand the purpose of the program and agree to comply with all established procedures, Board Policies, and applicable purchasing regulations.

The following guidelines apply to all purchasing card transactions:

- The purchasing card is issued to an individual employee and may only be used by the authorized cardholder. Cardholders are responsible for safeguarding the card and all transactions made using the card.
- The purchasing card may be used with vendors and service providers that accept Visa, unless otherwise restricted by district policy or merchant category code (MCC) limitations established by the district or card issuer.
- All purchases must be for official district business purposes only and must be supported by an approved budgeted line item and a properly executed Purchase Order prior to the transaction.
- The purchasing card may be used for approved lodging expenses associated with authorized district travel. Meal expenses, mileage reimbursement, and other travel-related expenses shall be processed separately in accordance with the Community ISD Campus/Department Accounting Procedures (CDAP) Manual and applicable travel procedures.
- Cardholders shall not exceed the approved purchase order amount.
- Detailed itemized receipts and all supporting documentation for purchases must be submitted to the Finance Office within forty-eight (48) hours of the transaction date or immediately upon return from travel, if applicable. Credit card slips alone are not considered acceptable documentation.
- The Finance Office will reconcile all purchasing card transactions and monthly statements received from Bank of America to ensure the accuracy and appropriateness of charges. Reconciliation will be completed using the receipts and supporting documentation submitted by the cardholder. Failure to submit required documentation in a timely manner may result in suspension or revocation of purchasing card privileges, payroll deduction for undocumented or unauthorized purchases, and/or disciplinary action.

- The purchasing card program is intended to supplement, not replace, established purchasing procedures and internal controls. Purchasing cards shall not be used to circumvent competitive procurement requirements, approval processes, bid thresholds, or any purchasing or payment procedures outlined in Board Policy CH, the Community ISD Fiscal Manual, or other applicable district guidelines.

Improper, unauthorized, or fraudulent use of the purchasing card may result in disciplinary action, up to and including termination of employment, reimbursement of unauthorized expenditures, and referral to appropriate legal authorities when applicable.

Duties and Responsibilities

Program Administrator – Director of Finance

The Director of Finance shall serve as the Program Administrator for the Purchasing Card (P-Card) Program and is responsible for the overall administration and oversight of the program. Responsibilities include establishing program procedures, ensuring compliance with district purchasing policies and applicable regulations, coordinating with the district's financial institution, and serving as the primary point of contact for purchasing card administration.

The Program Administrator shall:

- Review and approve requests for purchasing cards;
- Establish cardholder spending limits and merchant category restrictions, as appropriate;
- Provide guidance regarding allowable purchases and purchasing procedures;
- Monitor program compliance and internal controls;
- Coordinate training for authorized cardholders; and
- Review and address issues involving disputed transactions, misuse of cards, or noncompliance with district procedures.

All requests related to the issuance, modification, suspension, or cancellation of purchasing cards must be submitted through the Program Administrator.

Program Assistants

The Program Administrator will collaborate with the Program Assistants in the daily administration of the Purchasing Card Program and in ensuring compliance with district fiscal procedures and internal controls.

Responsibilities shall include, but not limited to the following:

- Assisting cardholders with purchasing card procedures and documentation requirements;
- Reconciling monthly purchasing card statements;
- Reviewing submitted receipts and supporting documentation for completeness and compliance;
- Contacting cardholders to resolve discrepancies, missing documentation, or disputed charges;
- Maintaining purchasing card records for audit and retention purposes; and
- Coordinating communication with the financial institution regarding card maintenance or disputed transactions.

Cardholder

A cardholder is an employee authorized by the District to utilize a district-issued purchasing card for approved district business purchases only. The purchasing card is issued in the care of the employee and may not be shared or used by any other individual.

The cardholder is responsible for:

- Ensuring all purchases are for legitimate district business purposes and comply with Board Policy CH, the Community ISD CDAP Manual, and all applicable purchasing procedures;
- Obtaining proper approvals and an approved purchase order prior to making purchases;
- Safeguarding the purchasing card and card account information at all times;
- Using approved vendors and ensuring purchases remain within authorized spending limits;
- Obtaining and submitting detailed itemized receipts and supporting documentation within required timelines;
- Reviewing transactions for accuracy and reporting discrepancies immediately; and
- Promptly reporting lost or stolen cards to the Finance Office.

All receipts and supporting documentation must be submitted to the Finance Office within forty-eight (48) hours of the transaction date or immediately upon return from travel, if applicable. Failure to provide required documentation may result in reimbursement obligations, suspension, or revocation of purchasing card privileges, payroll deduction for unsupported expenditures, and/or disciplinary action.

Unauthorized, improper, or personal use of the purchasing card may result in disciplinary action up to and including termination of employment and referral to appropriate legal authorities.

Campus/Department Administrator – Principal or Department Administrator

The Campus or Department Administrator is responsible for overseeing purchasing card activity for employees under their supervision and ensuring compliance with district purchasing procedures.

Responsibilities include:

- Reviewing and approving purchasing card transactions, receipts, and settlement documentation for compliance with district policy and budget requirements;
- Verifying purchases are appropriate, properly documented, and aligned with approved district business purposes;
- Monitoring cardholder activity to ensure adherence to purchasing card procedures and internal controls;
- Assisting with the review and approval of purchasing requests; and
- Retrieving purchasing cards and notifying the Finance Office immediately upon an employee's termination, transfer, resignation, or change in job responsibilities affecting purchasing card access.

Customer Service and Lost or Stolen Cards

If a purchasing card is lost, stolen, or suspected of being compromised, the cardholder must immediately notify the Finance Office to minimize the District's liability for fraudulent transactions. Notification shall be made verbally and followed by written notification as soon as practicable.

Questions regarding purchasing card procedures, disputed charges, or card administration should be directed to the Finance Office.

Credit Rating and Liability

The Purchasing Card Program is established in the name of Community ISD and carries district liability rather than individual employee liability. Participation in the program does not affect the employee's personal credit rating.

Cardholders are, however, financially responsible for any unauthorized, improper, or personal expenditures made using the purchasing card and may be required to reimburse the District for such expenditures.

Purchasing Card Controls and Procedures

Credit Limits

All purchasing cards shall be assigned spending limits established by the approved purchase order. Cardholders should not make purchases that exceed the purchase order.

Purchasing card limits shall be determined by the Program Administrator and approved in accordance with district procedures. Approved spending limits may vary depending on the type of purchase, funding source, and approved purchase order amount.

Cardholders shall not exceed the authorized limits assigned to the purchasing card. Attempts to divide or "split" purchases in order to circumvent established purchasing thresholds or card limits are strictly prohibited.

Transaction Limits

Each purchasing card may be assigned a single transaction limit, which represents the maximum allowable amount for an individual purchase transaction.

All purchases must remain within the approved transaction limit and within the amount authorized on the approved Purchase Order. Transactions exceeding the approved limit may be declined by the financial institution or considered a violation of district purchasing procedures.

Restricted Vendors and Merchant Categories

The District may restrict purchasing card use with certain vendors, merchant categories, or types of purchases deemed inappropriate or prohibited under district policy or applicable regulations.

Transactions attempted with restricted vendors or merchant category codes (MCCs) may be automatically declined by the card issuer.

Requests to authorize additional vendors or merchant categories must be submitted in writing by the appropriate Campus or Department Administrator to the Program Administrator for review and approval.

When questions arise regarding an anticipated purchase, cardholders should contact the Finance Office prior to completing the transaction.

Issuance and Distribution of Purchasing Cards

Purchasing cards shall be issued and administered through the Finance Office. Cards shall be distributed only to authorized employees who have:

- Completed required purchasing card training;
- Signed the Employee Procurement Card Agreement; and
- Received approval from the appropriate administrator and Program Administrator.

Purchasing cards remain the property of Community ISD and must be surrendered upon request by the District.

The District requires purchasing cards to be centrally maintained and checked out only for approved purchases or travel events, depending on operational needs and internal control procedures.

Purchasing Card Receipts and Documentation

Cardholders are required to obtain and retain detailed itemized receipts and supporting documentation for all purchasing card transactions. Credit card signature slips or transaction summaries alone are not considered acceptable documentation.

Required supporting documentation may include:

- Detailed vendor receipts;
- Approved Purchase Orders;
- Packing slips or proof of delivery, when applicable;
- Conference registrations or travel documentation, when applicable; and
- Any additional documentation required by the Finance Office.

All receipts and supporting documentation must be submitted to the Finance Office within forty-eight (48) hours of the transaction date or immediately upon return from travel, if applicable.

Campus or Department Administrators shall review and approve purchasing card documentation prior to submission to the Finance Office. The Finance Office will reconcile all receipts with monthly bank statements for audit and financial reporting purposes.

If a receipt is lost or unavailable, the cardholder shall make reasonable efforts to obtain duplicate documentation from the vendor. Failure to provide adequate supporting documentation may

result in the expense becoming the personal responsibility of the cardholder, including reimbursement to the District within thirty (30) days.

Sales and Use Tax

Community ISD is exempt from payment of Texas state sales and use tax on qualifying purchases made for official district business purposes.

Cardholders are responsible for presenting the District's Sales Tax Exemption Certificate at the time of purchase to ensure taxes are not charged. Taxes paid due to failure to provide the exemption certificate may become the personal responsibility of the cardholder and must be reimbursed to the District within thirty (30) days.

For hotel stays within the State of Texas, travelers must provide a completed Texas Hotel Occupancy Tax Exemption Certificate at check-in to obtain exemption from state hotel occupancy taxes. The District is not exempt from municipal or local hotel occupancy taxes, and exemptions do not apply to lodging outside the State of Texas.

Copies of applicable tax exemption certificates are available through the Finance Office.

Returns, Credits, and Disputed Charges

Cardholders shall make every reasonable effort to resolve issues related to defective merchandise, billing discrepancies, or returned items directly with the vendor prior to the Finance Office disputing a transaction with the financial institution.

All refunds and credits must be issued directly to the District purchasing card account. Cash refunds, store gift cards, or vendor credits issued directly to employees are prohibited.

Documentation related to returns, credits, and disputed charges must be submitted to the Finance Office within forty-eight (48) hours of resolution.

Security of the Purchasing Card

Cardholders are responsible for safeguarding the purchasing card and card account information at all times. Purchasing cards and account numbers shall be maintained in a secure manner and shall not be shared, loaned, or left unsecured.

Card numbers shall not be posted publicly, stored in unsecured locations, or transmitted in a manner that could compromise account security.

If an employee forgets or fails to bring an approved purchasing card during authorized travel, the employee must obtain approval from the Assistant Superintendent of Finance and Operations to use personal funds for approved expenditures and request reimbursement in accordance with district travel procedures and receipt requirements.

All purchasing cards must be returned to the Finance Office within twenty-four (24) hours of the purchase or within twenty-four (24) hours after returning from travel. Failure to comply with return deadlines may result in suspension or loss of purchasing card privileges.

Violations and Consequences

The purchasing card is to be used solely for official District business purposes and only by the authorized cardholder. Personal purchases, unauthorized transactions, misuse of district funds, or circumvention of purchasing procedures are strictly prohibited.

Examples of prohibited activity include, but are not limited to:

- Personal purchases;
- Cash advances;
- Alcoholic beverages;
- Gift cards;
- Purchases that violate Board Policy or district procedures;
- Splitting purchases to avoid bid thresholds or transaction limits; and
- Unauthorized travel or entertainment expenses.

Improper use of the purchasing card may result in:

- Suspension or loss of purchasing card privileges;
- Reimbursement obligations;
- Payroll deduction, when authorized by law or agreement;
- Disciplinary action up to and including termination of employment; and/or
- Referral to appropriate legal authorities when warranted.

Employee Separation or Change in Employment Status

Purchasing cards must be surrendered immediately upon termination of employment, resignation, retirement, transfer, extended leave, or reassignment affecting purchasing authority.

Campus and Department Administrators are responsible for ensuring purchasing cards are collected and returned to the Finance Office promptly upon a cardholder's separation or change in employment status.

Lost or Stolen Cards

If a purchasing card is lost, stolen, or suspected of being compromised, the cardholder must immediately notify the Finance Office to minimize the District's liability for fraudulent transactions.

Failure to report a lost or stolen card promptly may result in increased liability to the District and possible disciplinary action.