

**BOARD TRANSMITTAL FORM
DENAIR UNIFIED SCHOOL DISTRICT**

BOARD MEETING DATE: January 8, 2015

EXHIBIT NO.

69

TO: Board of Education
PREPARED BY: Linda Covello, Chief Business Officer
PRESENTED BY: Linda Covello, Chief Business Officer

AGENDA TITLE: APPROVAL OF PROPOSED DUSD BOARD POLICY 3314.3
AND ADMINISTRATIVE REGULATION 3314.3 REGARDING
DISTRICT CREDIT CARDS

AGENDA SECTION:

- | | |
|--|---|
| <input type="checkbox"/> Closed Session | <input type="checkbox"/> Discussion |
| <input type="checkbox"/> Study Session | <input checked="" type="checkbox"/> Discussion/Public Comment/Action* |
| <input type="checkbox"/> Public Comment | <input type="checkbox"/> Bids/Public Comment /Action* |
| <input type="checkbox"/> Scheduled Communication | <input type="checkbox"/> Consent Action* |
| <input type="checkbox"/> Superintendent/Board Report | <input type="checkbox"/> Administrative Panel |
| <input type="checkbox"/> Staff Report | Recommendations* |
| <input type="checkbox"/> Public Hearing | <input type="checkbox"/> Roll Call |

**Scheduled for Action*

PROGRAM DESCRIPTION / DETAILS:

In the process of updating the DUSD Governing Board Policies and Administrative Regulations to comply with current law and the California School Boards Association (CSBA) recommendations, a copy of the Business and Noninstructional Operations Board Policy and Administrative Regulation regarding District Credit Cards is being presented for Board Member review and approval.

RECOMMENDED ACTION:

Approve Board Policy 3314.3 and Administrative Regulation 3314.3 as presented.

FINANCIAL IMPACT:

N/A

Board Policy

District Credit Cards

BP 3314.3

Business and Noninstructional Operations

The Board of Trustees recognizes the value of an efficient method of purchasing authorized goods, supplies and services, including method of payment and record keeping for expenses. District credit cards are authorized for use within this policy, administrative regulation and guidelines.

Use of district issued credit cards is not intended to replace effective procurement planning that enables volume discounts, best value purchasing practices, transactions that should be purchase order based, or to acquire items available through established purchase contracts.

The Superintendent/designee shall develop administrative regulations and credit card use guidelines specifying in part:

1. Those authorized to use credit cards.
2. The types of expenses that can be paid by credit card.
3. Procedures for the proper supervision and use of credit cards.
4. Other relevant guidelines governing use and accountability.
5. A requirement for obtaining a signed and dated cardholder acknowledgment form signifying cardholder receipt of card and acceptance and understanding of guidelines for use.

Under no circumstances are district issued credit cards to be used for personal expenses.

Purchases that are unauthorized, illegal, personal in nature, perceived to be unethical or that reflect a conflict of interest, or use that does not adhere to credit card use Board policy/administrative regulation or credit card use guidelines, or otherwise violate the intent of this policy may result in card revocation, district sanction, repayment to the district, legal action and/or be grounds for termination of employment.

Legal Reference:

EDUCATION CODE

17604 Delegation of powers to agents; approval or ratification of contracts by governing board

17605 Delegation of authority to purchase supplies and equipment

35250 Duty to keep certain records and reports

42630-42651 General provisions; orders, requisitions and warrants

Regulation DENAIR UNIFIED SCHOOL DISTRICT

Approved: Denair, California

Administrative Regulation

District Credit Cards

AR 3314.3

Business and Noninstructional Operations

The district may choose to participate in a credit card program administered through an issuing bank or other corporate legal entity.

There are various people involved in the credit card program to ensure its success and incorporate proper checks and balances. The following are titles referred to and a description of their functions:

Program Coordinator

The person responsible for the implementation and continued monitoring of the credit card program is the Chief Business Officer, and is the key point of contact for Cardholders, Approving Officials, and Billing Officials. The Chief Business Officer shall serve as the Program Coordinator between the issuing bank and the District. The Chief Business Officer may appoint up to two designees to serve as alternate Program Coordinators in order to provide continuous daily program management responsibilities.

Approving Official

Every cardholder is responsible to a management employee (typically immediate supervisor), known as the Approving Official, who approves the cardholder's purchases, verifies that purchases are made for official district use, and performs the following function:

1. Ensures that the credit cards issued under their authority are utilized properly.
2. Reviews and certifies Cardholder's Statement of Account, in accordance with the District's policies, procedures and guidelines, including budget and accounting procedures, budget availability and appropriateness of expense.
3. Ensures each Cardholder's reconciled Statement of Account slips/ receipts and all appropriate documentation is received and processed in accordance with guidelines.
4. Ensures each Cardholder's Statement of Account is forwarded to the

designated Billing Official (in Accounting) by established deadlines.

5. Reviews monthly/quarterly reports on cardholders submitted by the issuing bank for accuracy and historical usage.
6. Submits Request to Amend or Cancel Credit card or other program related forms as necessary and in a timely manner.

Cardholder

A Cardholder is an authorized employee issued a credit card that is responsible for committing small dollar purchases for the District in accordance with program guidelines and District policies and procedures. The Cardholder ensures that he/she submits a reconciled Statement of Account and forwards all slips/receipts, within five business days after receipt, to the Billing Official in Accounting. The cardholder is also responsible for ensuring that his/her Statement of Account (monthly statement) is forwarded to other budget administrators for signature (in addition to their Approving Official) when funds are being expended outside of the Approving Official's authorization.

GENERAL

Transaction Limits

District credit cards are subject to the following limits:

1. Single purchase limit of \$450 per each transaction unless a higher limit is authorized by the Superintendent/designee.
2. Billing cycle (30 day) purchase limit of \$3,000 unless a higher limit is authorized by the Superintendent/designee.
3. MAT Codes - Merchant Activity Type codes will be attached to each card, where the card will be denied if used for certain commodities/ services not approved by the District for purchase by the Cardholder

Restricted Uses

Several items are restricted from purchase by the District, which can be found under the section titled Prohibited Purchases found in the guidelines for usage. Misuse of the card or failure to follow policies, procedures or guidelines governing card usage will result in revocation of the credit card and may result in disciplinary action up to termination.

Mandatory restrictions on all cards imposed by the issuing bank(s) include:

1. Cash advances
2. Rental or lease of land
3. Gambling, betting
4. Alcohol or tobacco products
5. Weapons or firearms
6. Securities, insurance
7. Political or religious organizations
8. Tax payment
9. Court costs, fines, bail, or bond payments

Some restriction may be applicable to specific cardholders and are listed in the guidelines or in other documentation provided at time of card issuance, such as travel, medical expenses, equipment rental contracts, and others.

The credit card cannot be used for personal purchases at any time.

Lost or Stolen Cards and Personal Information

Cardholders are not held personally responsible for cards that are lost or stolen, or that have outside fraudulent transactions. Issuing banks are not allowed to collect personal information, nor should any employee be required to provide the issuing bank any personal information (i.e. social security number) if the employee is authorized to be issued a card.

Authorized Cardholders

The following positions are authorized to be issued district credit cards:

1. Superintendent and/or Secretary
2. Chief Business Officer and Secretary
3. Directors, Associate Directors and Secretaries

4. K-12 Sites: Principal; Assistant Principal; Principal's Secretary
5. Departments/Divisions/Programs: Supervisors / Managers

Additional positions may be authorized to be issued a district credit card based on appropriate justification and approval by the Superintendent/designee. A person in an authorized position may elect not to have a district credit card issued.

Program Guidelines

Credit card use guidelines shall be maintained and given to each cardholder by the Chief Business Officer (Program Coordinator). These guidelines are incorporated by reference as an extension of intent of this AR to institute and enforce a credit card program that is clearly defined and allows for appropriate employee and district accountability and enforcement measures to be taken.

Records shall be kept by the Chief Business Officer (Program Coordinator) that include, at minimum:

1. Titles, names, and site locations of individuals authorized to be issued cards.
2. Management approving official for each cardholder.
3. Maximum single transaction and monthly limitations.
4. Restrictions imposed on types of purchases allowed.
5. Cardholder request forms signed by the cardholder, approving official and Chief Business Officer (Program Coordinator).
6. Acknowledgement form signed by the cardholder indicating receipt of card and understanding of the guidelines, policies and regulations governing card usage.

The following applies in regards to a credit card issued to an employee:

1. The credit card is issued in an individual employee's name and may not be used by anyone else.
2. Cards should be safely kept and secured. Cardholders are responsible for the security of their card and all transactions made by them or with their knowledge.

3. The credit card must not be used for personal purchases. If personal purchases are made, the situation may be handled as a misuse of government funds in accordance with Board Policy on misuse of funds and may lead to disciplinary action up to termination of employment and possible other legal remedies.
4. Single, daily and monthly transaction limits must be adhered to.
5. The credit card is not intended to avoid or bypass the Business Department or other established purchasing programs/contracts. The intent of the credit card program is to replace or complement existing processes available for the most efficient yet accountable method for typical small dollar volume transactions. Use of the card is not intended to replace effective procurement planning that enables volume discounts or to apply sound and reasonable purchasing practice in achieving best value purchases.
6. Credit card holders must immediately return their card to the Program Coordinator upon transfer to another school/department, separation of employment from Denair Unified School District, or upon request by the Program Coordinator.
7. Prior to receiving a card, each cardholder must sign a Receipt Acknowledgement Form and the Cardholder Agreement Form acknowledging the understanding of all policies, regulations and guidelines governing the use of a district issued credit card.
8. To the maximum extent possible the credit card should be used in lieu of emergency purchase orders, limited purchase orders, employee reimbursements, check requests, or purchase requisitions when the dollar amount for a single item or group of items is less than \$450.
9. Unless higher limits have been authorized by the Superintendent/designee, transactions are limited to \$450 per transaction and \$3,000 per billing cycle (month).
10. Each single purchase may include multiple items, but the total cannot exceed the authorized single transaction purchase dollar limit.
11. When purchases exceed the established limits normal purchasing procedures must be followed.
12. The least expensive source for an item should be sought.

13. The Cardholder must verify that budgeted funds are available and immediate management approval is obtained prior to making any purchase.

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