

1<sup>st</sup> Reading 12/17/18  
2<sup>nd</sup> Reading 1/28/19  
3<sup>rd</sup> Reading and Adoption 2/25/19

## **726 PROCUREMENT CARD POLICY**

### **I. PURPOSE**

The purpose of this policy is to establish guidelines for the use of a procurement card by those authorized to make a purchase on behalf of the School District (District).

### **II. GENERAL STATEMENT OF POLICY**

It is the policy of this District to comply with all state laws relating to procurement card use and to ensure that District funds are used appropriately. This policy applies to all District procurement card use.

### **III. AUTHORIZATION**

- A. Procurement card expenditures of the District shall be appropriate expenditures of district funds and shall comply with Minn. Stat. § 123B.02, subd. 23 and any other applicable law or written administrative procedures.
- B. The primary criteria for the use of procurement cards is the opportunity to reduce paperwork; expedite the purchasing process; and reduce administrative expenses. These goals are achieved with a reduction in the number of checks written to pay invoices and make purchasing of low dollar value items more efficient.
- C. Use of procurement cards in a responsible manner will provide:
  - 1. Safety and Security. Security of District funds are the primary concern and use of the procurement card serves to further this priority by limiting its use to specific transactions.
  - 2. Purchasing Availability. The procurement card should be used as a tool in order to purchase items efficiently and securely. It provides flexibility and the ability to take advantage of opportunities that may not be available through the normal purchasing cycle.
  - 3. Cost Containment. Any costs associated with the use of a procurement card shall be minimal.

### **IV. DELEGATION OF AUTHORITY**

The school board hereby authorizes the Superintendent or Business Manager to make available a District procurement card for use by a District employee for a purchase on behalf of the District.

### **V. STANDARD OF CONDUCT**

Any purchases using District procurement cards must be within District expenditure policies, procedures and practices. The District's Purchasing Procedure can be obtained from the District Office or school website.

If an employee of the District makes or directs a purchase with a District procurement card that is not approved as an authorized purchase, that employee shall be personally liable for the amount of the purchase.

## VI. INTERNAL CONTROLS

The Business Manager shall establish a method of internal control which shall provide for custodial control of all District procurement cards. Such control shall be a log or journal that reflects, at a minimum, to whom the procurement card was issued, the date of issuance, the purpose for issuing the procurement card, the date the procurement card was returned and an indication if receipts were provided when the procurement card was returned.

In addition, internal controls shall be designed to prevent losses of public funds due to fraud, error, or misrepresentation. The internal controls may include, but shall not be limited to; provisions relating to separating transaction authority from accounting and record keeping, clearly delegating authority to applicable staff members, supervising and controlling employee actions and documenting all purchases.

All receipts shall be reviewed for compliance with this policy and any discrepancies shall be reported to the Superintendent and/or the School Board as appropriate.

A review of purchases with the procurement card shall be part of the internal control review performed by the District's auditors. Compliance failures will be noted and reported.

## VII. PERMISSIBLE PURCHASES

Purchases made with the procurement card must be consistent with state law and local procedures and policies. Proper detailed supporting documentation of purchases must be attached to the procurement card bill when presented for payment. Purchases may only be made on the procurement card after having been authorized by an appropriate officer or employee.

## VIII. REQUIREMENTS

The use of a procurement card does not authorize a form of debt for the District. Procurement card charges shall be paid off on a monthly basis. All procurement card purchases must comply with generally accepted governmental standards and the Minnesota Legal Compliance Guide issued by the Office of the State Auditor.

Lost or stolen procurement cards are to be reported immediately to the Business Manager. In turn, the Business Manager will report the lost or stolen procurement card to the card issuer.

## IX. FORMS

Each District employee will be required to sign an acknowledgement that they have reviewed the procurement card policy and are aware of the requirements.

When there is a violation of the terms of the procurement card policy, a Cardholder Misuse Form must be completed.

When there is a substantiated violation, the violating employee will be issued a Termination of Privilege Notice.

Legal References: Minn. Stat. § 123B.02 subd. 23 (General Powers Of Independent School Districts; Credit Cards)  
Cross References: Statement of Position-Credit Card Use Prepared by the Office of the State Auditor

## **Termination of Privilege Notice**

This notice is provided to \_\_\_\_\_ as a result of an abuse of the District Procurement Card Policy. Specifically, the user violated the provisions of Standards of Conduct for procurement card use.

The employee identified above shall not be permitted to use the District procurement card for any purpose effective the date of this notice.

\_\_\_\_\_  
Superintendent

\_\_\_\_\_  
Date

**NOTE:**

In addition to the above consequences for the misuse of the District procurement card, the District retains the right to take further action up to and including termination of employment. If the event involves gross negligence or fraud, the District may forward the matter for criminal prosecution.

**Cardholder Misuse Form**

Date: \_\_\_\_\_

Description of misuse: \_\_\_\_\_

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Action taken: \_\_\_\_\_

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Submitted by: \_\_\_\_\_

Date: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

### **Acknowledgment of Receipt**

I hereby acknowledge that on the date indicated below, I received a copy of the School District's procurement Card Policy. Further, that I have read and understand the consequences of misuse of the District procurement cards; I understand that purchases must be only for School District purposes; and that I am responsible for returning the procurement card to the District upon completion of the purchasing activity.

Employee Signature: \_\_\_\_\_

Employee Name: \_\_\_\_\_  
(Please Print)

Date: \_\_\_\_\_