

Operational Services

Use of Credit and Procurement Cards¹

The Superintendent and employees designated by the Superintendent are authorized to use District credit and procurement cards to simplify the acquisition, receipt, and payment of purchases and travel expenses incurred on the District's behalf.² Credit and procurement cards shall only be used for those expenses that are for the District's benefit and serve a valid and proper public purpose; they shall not be used for personal purchases. Cardholders are responsible for exercising due care and judgment and for acting in the District's best interests.

The Superintendent or designee shall manage the use of District credit and procurement cards by employees. It is the Board's responsibility, through the audit and approval process, to determine whether District credit and procurement card use by the Superintendent is appropriate.

In addition to the other limitations contained in this and other Board policies, District credit and procurement cards are governed by the following restrictions: ³

1. Credit and/or procurement cards may only be used to pay certain job-related expenses or to make purchases on behalf of the Board or District or any student activity fund, or for purposes that would otherwise be addressed through a conventional revolving fund. ⁴

The footnotes are not intended to be part of the adopted policy; they should be removed before the policy is adopted.

1 If district employees or board members are issued credit and/or procurement cards, an ISBE rule requires this subject matter to be covered in policy and specifies its content. 23 Ill.Admin.Code §100.70(d). Add the following optional new paragraph if the district issues credit cards to board members:

The District may from time-to-time issue and/or authorize Board members to use District credit cards to simplify the payment of actual and necessary expenses as authorized in Board policy 2:125, *Board Member Compensation; Expenses*. The Board will determine whether a Board member's use of a District credit card is appropriate through the expense approval process and the annual audit. All other components of this policy apply to a Board Member's use of a District credit card.

See f/n 19 in policy 2:125, *Board Member Compensation; Expenses* and ensure both policies are consistent in their treatment of this issue.

2 The Local Government Travel Expense Control Act (50 ILCS 150/) requires districts to regulate the reimbursement of all travel, meal and lodging expenses of board members and employees. 50 ILCS 150/10. Consult the board attorney about how the Act affects the use of credit and procurement cards.

3 The policy's restrictions, numbered 1-10, correspond to the items that ISBE requires to be covered. Each item may be customized as long as the following items are covered as per 23 Ill.Admin.Code §100.70(d):

1. Identifies the allowable types of purchases;
2. Provides for the issuing bank to block the cards' use at unapproved merchants;
3. Limits the amount a cardholder can charge in a single purchase or within a given month;
4. Provides specific guidelines on purchases via telephone, fax, and the Internet;
5. Indicates the consequences for unauthorized purchases;
6. Requires cardholders to sign a statement affirming that they are familiar with the board's credit card policy;
7. Requires review and approval of purchases by someone other than the cardholder or user;
8. Requires submission of original receipts to document purchases; and
9. Forbids the use of a card to make purchases in a manner contrary to the requirements of 105 ILCS 5/10-20.21.
10. Indicates how financial or material rewards or rebates are to be accounted for and treated.

4 This limitation is from the introductory sentence in 23 Ill.Admin.Code §100.70(d).

2. The Superintendent or designee shall instruct the issuing bank to block the cards' use at unapproved merchants.
3. Each cardholder, other than the Superintendent, may charge no more than \$500 in a single purchase and no more than \$1000 within a given month without prior authorization from the Superintendent.⁵
4. The Superintendent or designee must approve the use of a District credit or procurement card whenever such use is by telephone, fax, and the Internet. Permission shall be withheld when the use violates any Board policy, is from a vendor whose reputation has not been verified, or would be more expensive than if another available payment method were used.
5. The consequences for unauthorized purchases include, but are not limited to, reimbursing the District for the purchase amount, loss of cardholding privileges, and, if made by an employee, discipline up to and including discharge.
6. All cardholders must sign a statement affirming that they are familiar with this policy.⁶
7. The Superintendent shall implement a process whereby all purchases using a District credit or procurement card are reviewed and approved by someone other than the cardholder or someone under the cardholder's supervision.
8. Cardholders must submit the original, itemized receipt to document all purchases.
9. No individual may use a District credit or procurement card to make purchases in a manner contrary to State law, including, but not limited to, the bidding and other purchasing requirements in 105 ILCS 5/10-20.21, or any Board policy.
10. The Superintendent or designee shall account for any financial or material reward or rebate offered by the company or institution issuing the District credit or procurement card and shall ensure that it is used for the District's benefit.

LEGAL REF.: 105 ILCS 5/10-20.21.
23 Ill.Admin.Code §100.70(d).

CROSS REF.: 4:50 (Payment Procedures), 4:60 (Purchases and Contracts), 4:80 (Accounting and Audits), 4:90 (Student Activity and Fiduciary Funds), 5:60 (Expenses)

The footnotes are not intended to be part of the adopted policy; they should be removed before the policy is adopted.

⁵ The dollar caps are at the local board's discretion. An alternative follows: "The Superintendent shall limit the amount each cardholder may charge in a single purchase or within a given month and inform the issuing bank of these limitations."

⁶ See exhibit 4:55-E, *Cardholder's Statement Affirming Familiarity with Requirements for Using District Credit and/or Procurement Cards*.