

USAGE and BEST PRACTICE with Credit Cards in Your District

Alaska ASBO

December 201

Speakers

Holly Wallace-Illinois ASBO

Mark Bockelmann –BMO Harris Bank

Discussion Points Today

- Review your districts needs
- Purpose of Credit Cards
- Program Selection
- Policy Development
- Monitoring and Review



Reviewing Your Districts Needs: step 1-infinity

- Continuously questioning and checking-needs/process, procedure
- Are you meeting users needs?
- Are you meeting Business Office needs?
- Are you meeting BOE and Superintendent's needs?



2 things you NEED for success

FLEXIBILITY of program

COMMUNICATION to all stakeholders

Check List to Get Started – and BEYOND

- Discussion with Superintendent/Board/Bus. Office
- Research available programs
- Develop Procedure Manual
- Present to Board for Approval
- Application/Implementation



Different Kinds of Credit Cards

- Traditional Credit Cards
- P-Cards
- Department Store Cards
- Revolving Accounts





Credit Cards should

ENHANCE

your current best practices –

Not replace

Choosing a Program

- Acceptance of card
 - Cost of Program
- Added or Hidden Costs
 - Financials used
- Online Management Program
 - Cut off Date
 - Grace Days
 - Payment Options
 - Card Options
- Customer Service Available
 - Rebate?
- Flexibility of program



BOE Expectations-NOW and LATER

- Compliance with Law
- Cost to Run Program
- Controls Available
- Checks and Balances in Place
- Policy and Procedural Manuals
- Reporting
- Ease of Use



The WHO/WHAT/WHERE

- **WHO** will have card??
- **WHAT** can they purchase??
- **WHERE**
 - Can/Cannot
 - Policy and Rules



Purchasing Policy and cards

- Cards in hand all the time
- Cards to be checked out
- Developing a “hybrid” PO system



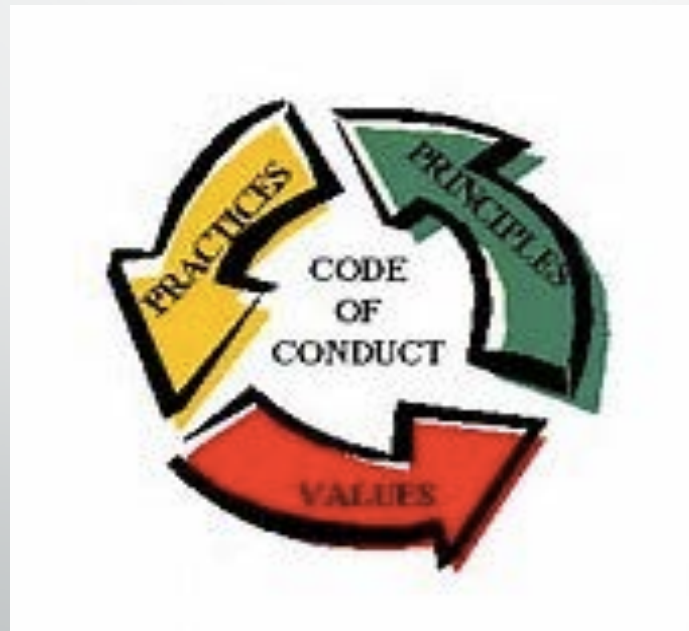
The Procedure Manual: A Fraud Deterrent

- Develop procedures that provide fiscal control and purchasing accountability



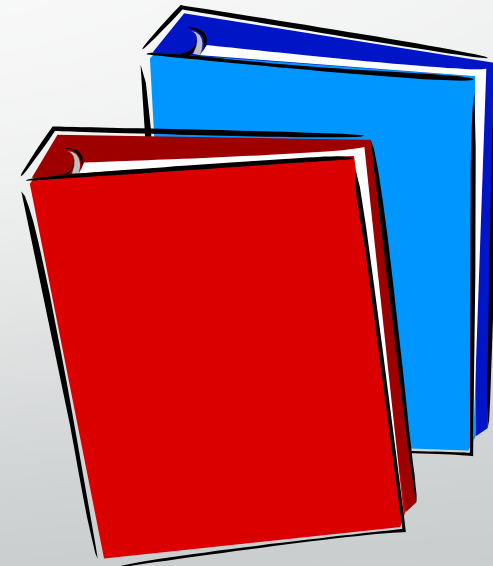
Code of Conduct

- Designed to provide the cardholder a general philosophy and set of guidelines to follow when using the card.



Policy and Procedure Manual

- Policies and procedures for use
- Policies and procedures for MISuse
- Parts can be individualized
- Samples of paperwork
- Tutorials



Cardholder Spending Limits

- Transaction limit
- Daily dollar volume limit
- Monthly limit
- Merchant category
- Stipulate how the card can be used
- ***Statement of Authority Form***



Community Consolidated School District 59
p-CARD STATEMENT OF AUTHORITY

Employee Name _____ Position Title _____

Date _____ p-Card Number _____

Monthly Limit \$ _____ Daily Limit \$ _____ Transaction Limit \$ _____

Cash Advance NO

Use by Telephone _____ Yes, self-approval
_____ Yes, only with prior written approval by supervisor
_____ Not authorized

Use by Fax/Mail _____ Yes, self-approval
_____ Yes, only with prior written approval by supervisor
_____ Not authorized

Use by Internet _____ Yes, self-approval
_____ Yes, only with prior written approval by supervisor
_____ Not authorized

In person _____ Yes, self-approval
_____ Yes, only with prior written approval by supervisor
_____ Not authorized

Merchant Limits _____ As set forth by Board Policy and Administrative Regulations
_____ Authorized and Approved Vendors Only as approved by direct supervisor
_____ Authorized and Approved Vendors Only as approved by Purchasing Supervisor

I understand that itemized original receipts for all purchases are required and must be approved monthly by direct supervisor. The employee is responsible for retaining all packing slips and warranty information. I understand that the approved monthly statement, with original receipts, is due to Accounts Payable in accordance with Board meeting Accounts Payable cut-off schedule.

Signature, Employee _____ Date _____

Signature, Direct Supervisor _____ Date _____

Signature, Purchasing Supervisor _____ Date _____

Signature, Asst. Supt. For Business _____ Date _____

Forms to Track Card Use

- Agreement Form
- Obtaining a Card
- Lost Receipt Form
- Account Maintenance
- Lost or Stolen Cards
- Disputed Transactions and Returned Merchandise



Internal Audits

- Unauthorized purchases
- Purchase of prohibited products
- Intent to circumvent credit limits
- Personal use of card
- Allowing an unauthorized person to use card
- Consistently delinquent submissions



Critical Elements to Ensure *"You are on the same page"!*

AVOID FRAUD AND ENSURE SUCCESS

1. Purchasing Manual/Required Training
2. Signed agreement
3. Regular random audits



Audit Perspective

- Audit Risks
- Sample Selection and Sample Size
- Testing and Related Attributes
- Common Findings
- Best Practices



Ideas for Growing Your Program

Analyze your spending habits

Look at your check registry

Get cards into the people who are doing the spending

- Secretaries
- Buildings and Grounds/Maintenance
- High School Departments

Look at your big purchases

- Energy
- Transportation
- Food
- Books
- Technology

Manage Your Program



The FUTURE.....

- Epayables
- Virtual Cards
- Spend Down Cards





QUESTIONS

