

(1) PURPOSE

The purpose of this policy is to provide guidelines for the issuance and use of credit cards along with instructions for reconciliation and review of transactions.

(2) DEFINITIONS

- **Approver:** The employee designated by the District to review and verify a cardholder's transactions.
- **District:** Hall County Schools
- **Cardholder:** The employee who has been issued a credit card (Whose name is on the credit card).
- **Card User:** The employee who has been issued a credit card or who has been temporary custody of the card, by the cardholder, to make a specified purchase, approved by the cardholder prior to purchase.
- **Card Issuer:** Branch Banking & Trust (BB&T), the bank issuing Hall County Schools' Credit Card.
- **Credit Card Administrator:** Julie Preston, Accounting Manager
- **Credit Card Procedural Manual:** Refers to this instruction manual.
- **Employee Agreement Form:** The written agreement between the cardholder and Hall County Schools.
- **Credit Card Purchase Request Form:** The written agreement between the individual using the credit card and the cardholder.

(3) SAFEGUARDING OF THE DISTRICT'S ASSETS

- When accepting a credit card, a cardholder becomes an authorized purchaser for the District with specific responsibilities for expending public funds. The credit card is never to be used in lieu of following District purchasing procedures. The cardholder should always make purchases with the card at the lowest responsible cost based on requirements, quality, and availability to obtain the maximum value of each dollar expended.
- Rebates or refunds from vendors shall be the property of the District and shall be paid promptly into the School District's accounts.
- Cardholders will be required to personally reimburse the District for purchases made that are not appropriately documented.
- Habitual loss of receipts/documentation may require personal reimbursement by the cardholder and may also result in termination of the credit card.
- Items of value purchased for distribution to students are allowed only in support of the education objectives of the District. Additionally, the cardholder must obtain sufficient documentation to identify the individual receiving an item.
- Supervisors must ensure that credit cards are promptly cancelled upon employee transfer or termination.
- A purchase must follow proper District procurement procedures. The credit card is not a means to circumvent or bypass approval by an appropriate approver or to bypass District purchasing procedures. The standard procedure for purchasing is to complete a purchase order prior to making a purchase. When purchasing with the credit card, a credit card purchase request should be completed and approved by an appropriate approver prior to the purchase where possible.

(4) CARD ISSUANCE

- Credit cards may be issued to administrative employees only. No temporary employees, student employees, or substitutes may be issued cards.
- Cardholders may authorize designated employees to use their issued card to make authorized purchases under certain conditions:
 1. The purchase must follow proper District procurement procedures. The credit card is not a means to circumvent or bypass approval by an appropriate approver. A credit card purchase request should be completed and approved by an appropriate approver prior to the purchase where possible.
 2. Appropriate approval must be given by the cardholder and all other appropriate approvers prior to a purchase.
 3. If the cardholder allows authorized District employees temporary custody of the card or to use the card, a log must be kept indicating the individual who was given custody of the card, the time and date they were given custody, the time and date the card was returned to the cardholder, a description of the purchase, the name of the vendor from whom the purchase is being made, and the dollar amount of the purchase.

(5) CARD LIMITS

- **Credit Card** - Due to the fact that Hall County Schools, not the individual employee, will pay for the purchases made with the card, additional controls have been added to the card accounts. These limits are imposed at the point of sale when the card is swiped. Credit cards may be used for purchases not to exceed the card's maximum monthly dollar limits. The standard monthly dollar limits are:
 - i. \$2,500.00 for elementary schools
 - ii. \$5,000.00 for middle schools
 - iii. \$10,000.00 for high schools
- **District Limits** – The credit card may be used for purchases not to exceed the District maximum limits of \$500.00 per transaction. Purchases requiring funds in excess of \$500.00 must be approved by the appropriate principal or cardholder. Purchases in excess of \$1,000.00 also require the approval of the Finance Department. There are no further District cardholder spending limits. The cardholder's user or supervisor may identify additional limits based on card usage and budget limitations. These limits should be noted on the credit card use agreement and kept in the cardholder's file.

(6) AUTHORIZED USES OF CREDIT CARDS

- All credit card purchases must be for official District business and directly related to the public duties of the cardholder and must never be used for personal purchases, regardless of the circumstance. Cardholders and approving officials are designated as District purchasing agents and are subject to the provisions of O.C.G.A. §36-80-24 and O.C.G.A §16-9-30 et. seq.
- Some allowable items include but are not limited to:
 - i. Equipment with single units under \$2,500.
 - ii. Textbooks
 - iii. Lab supplies (Excluding hazardous materials)
 - iv. Motor Vehicle Repairs & Maintenance (For District-owned vehicles only)

1. All costs must be reported to the appropriate supervisor.
 2. Note: Fuel/gasoline may be purchased with the credit card only under circumstances where a District fuel card is not available. Fuel cards may be obtained from the Transportation Department, and employees must verify that a fuel card is not available prior to obtaining approval to use the credit card to purchase fuel/gasoline. Fuel cards and gasoline cards can only be used for District-owned vehicles. Use of the credit card or fuel cards for personal fuel purchases is prohibited.
- v. Registration Fees
1. Food is not allowable unless included as part of the registration fee.
 2. Employees must not request reimbursement for meals included with conference registration fees.
 3. No memberships or lodging may be paid as part of the registration fee.
 4. If the cardholder allows authorized District employees temporary custody of the card or to use the card, a log must be kept indicating the individual who was given custody of the card, the time and date they were given custody, the time and date the card was returned to the cardholder, a description of the purchase, and the dollar amount of the purchase.
 5. Documentation must be retained for the purchases. Acceptable documentation includes, but is not limited to: a copy of the order form, a copy of a catalog page showing cost, receipts, print out of the online order confirmation, a print out of an e-mail confirmation, or an email/faxed order confirmation showing price along with the packing slip or receipt.
- vi. Software
- vii. Repairs/Maintenance/Service Agreements for Equipment (Provided no contract is required to be signed)
- viii. Band Equipment

Note: Exceptions may be granted by the credit card manager.

(7) PROHIBITED USES OF CREDIT CARDS

- Unallowable purchases include, but are not limited to:
- i. Alcoholic beverages and tobacco
 - ii. Break Room Supplies/Appliances for Employee Use
 - iii. Cash Advances, Cash Refunds, or “Store Credits”
 - iv. Employee Travel Expenses (Lodging, transportation, meals)
 - v. Flowers or gifts to be given away
 1. Teacher appreciation awards, including flowers or small gifts, for outstanding work are permitted provided that the award is of nominal value.
 - vi. Gift cards, gift certificates, debit cards, calling cards, prepaid cards, or similar products and other, equivalent forms of cash.
 - vii. Installment purchases
 - viii. Firearms or explosives
 - ix. Entertainment
 1. Costs related to teacher and/or employee gatherings, such as food, are allowable as long as the costs are nominal, the gatherings only include school system personnel, and are made from allowable agency funds.

- x. Leases
- xi. Maintenance or Service Agreements which require a signed contract
- xii. Rentals greater than 30 days
- xiii. Sales Tax from Vendors within the State of Georgia
- xiv. Personal Memberships/Dues
 - 1. Dues and fees paid on behalf of student clubs to their parent organization, governing body, or national authority are permitted.
- xv. Utilities

(8) PROHIBITED CREDIT CARD PRACTICES

- Splitting Orders
 - i. Splitting orders/transactions with District credit cards is prohibited. Ensure that individual transaction limits are never exceeded. Transaction splitting is the practice of committing multiple credit card transactions to circumvent the Card user's one-time transaction limit, bypass competitive bidding requirements, or avoid the card's monthly card limit.
- Unauthorized Credit Card Sharing
 - i. Only the person named on the credit card is the authorized user. Unauthorized credit card sharing is prohibited and the card may be cancelled or assigned to a different cardholder. Credit card sharing is the practice of allowing an individual other than the cardholder whose name appears on the front of the credit card to have access to the credit card or credit card number without specific permission or knowledge of the cardholder to initiate or complete a transaction. Credit card sharing increases the risk of fraud and cardholder liability. Credit cards are not to be used as generic purchasing cards for an entire department or school. The cardholder is the only individual authorized to use the card unless the cardholder gives specific permission for another District employee to make a specific purchase.
 - ii. District employees other than the cardholder may be granted temporary custody by the cardholder for use of the card, provided that a log be kept indicating the individual who was given custody of the card, the time and date they were given custody, the time and date the card was returned to the cardholder, a description of the purchase, and the dollar amount of the purchase. Additionally, a completed Credit Card Purchase Request Form, indicating the goods or services that will be purchased, the vendor from which the purchase will be made, and the amount to be expended, signed by the employee and the cardholder must be submitted to the cardholder.
- Use of Credit Cards for Personal Use
 - i. The use of the credit card for personal expenditures is strictly prohibited. Cardholders who violate this rule must immediately report the personal use of the card and reimburse the funds.
- Exceeding the single transaction limit.
 - i. Every credit card has an assigned single transaction limit that has been approved by the card administrator. Cardholders are cautioned to avoid exceeding this limit. While the limit is embedded in the magnetic strip in the card, vendors who do not swipe the card may exceed the single transaction limit. If the cardholder allows a vendor to exceed the single transaction limit, this will be considered a violation of credit card procedures.

(9) EMPLOYEE AGREEMENT FORM

- Before being issued a credit card, a completed Employee Agreement Form, signed by the employee and the employee's supervisor or the credit card administrator must be submitted to Finance. By signing the form, the employee acknowledges:
 - i. Understanding of the regulations for use and protection of the card.
 - ii. Understanding of responsibilities in the review process and billing disputes.
 - iii. Understanding and acceptance of consequences for card violations.

(10) CREDIT CARD PURCHASE REQUEST FORM

- Before an employee who is not the cardholder can make a purchase with a credit card, a completed Credit Card Purchase Request Form, signed by the employee and the employee's supervisor or the respective cardholder must be submitted to the cardholder. By signing the form, the employee acknowledges:
 - i. Understanding of the regulations for use and protection of the card.
 - ii. Understanding and acceptance of consequences for card violations.
 - iii. Understanding of responsibilities when making purchases with the card.

(11) APPROVER RESPONSIBILITIES

- Review and verify assigned cardholders credit card purchases.
- Ensure appropriateness of purchases to the best of their knowledge.
- Verify completeness of credit card documentation including signed & reconciled monthly statements and detailed back up documentation (receipts).
- Provide evidence of review through a signature on the credit card statement.
- Provide an appropriate budget code to which expenditures made on the card will be charged.

(12) CARDHOLDER RESPONSIBILITIES

- The School District follows the doctrine that the use and responsibility for credit card procurements rest with the cardholder. The cardholder is accountable for all transactions on their card. To reinforce the doctrine of cardholder accountability with District oversight of the credit card:
 - i. The card is to be under the control of the cardholder and is to be kept in a secure location. or the School District, this is the vault or safe at each school or a secure storage location for departments or central office personnel.
 - ii. Card sharing is prohibited. Cardholders may not lend their card or card number to anyone.
 - iii. All cardholders are required to acknowledge that they have read and understand the District's policies regarding credit card use, including provisions of acceptable card use, the cardholder's responsibility, and the consequences of card misuse.

(13) CARD SECURITY

- The cardholder should use basic security measures, as outlined below, to prevent unauthorized use and limit the potential for fraud.
 - i. If the cardholder allows authorized District employees temporary custody of the card or to use the card, a log must be kept indicating the individual who was

- given custody of the card, the time and date they were given custody, the time and date the card was returned to the cardholder, a description of the purchase, and the dollar amount of the purchase.
- ii. Sign the card as soon as it is received.
 - iii. Always keep credit cards and account numbers in a secure location when the card is not in use. For the School District, this is the vault or safe at each school or a secure storage location for departments or central office personnel.
 - iv. Safeguard the credit card as you would your personal credit card.
 - v. Be aware of surroundings when using the card.
 - vi. Monitor card activity in the monthly statements.
 - vii. Reconcile monthly card statements in a timely manner.

(14) LOST OR STOLEN CARDS

- Lost, stolen, or fraudulently used credit cards must be reported to BB&T at the service number (1-800-476-4228) listed on the back of the credit card as soon as possible after the discovery of the loss, theft, or fraudulent use. If a card is lost or stolen, report the incident as soon as possible after the discovery to the number on the back of the card and to Julie Preston, Accounting Manager. The cardholder's approving official and the card administrator must also be notified. Evidence of fraudulent use may be requested to include transaction detail. Lost or stolen cards require card cancellation. Failure to report the loss, theft, or fraudulent use of the card may result in increased financial loss to the District.

(15) SURRENDERING THE CREDIT CARD

- The card is the property of the School District. The cardholder is to surrender the card to the credit card administrator upon request, retirement, termination, or transfer to another school or department.
- The credit card administrator should destroy (shred or cut up) the card upon surrender.

(16) DOCUMENTATION REQUIREMENTS

- For each transaction, accountable documentation (i.e. a credit card purchase request form and receipt) must be obtained as proof of purchase. This documentation will later be used to verify the purchases shown on the cardholder statement issued at the end of the monthly billing cycle and to comply with O.C.G.A. §36-80-24 which requires that documents related to credit card transaction be available for public inspection. The documentation must contain line item descriptions and line item pricing for the purchase. The documentation should include:
 - i. Vendor Name
 - ii. Transaction Amount
 - iii. Date of the purchase
 - iv. Itemized list of items purchased
 - v. Other information as required by Finance, department, or the school principal
- If a credit card request form or receipt does not provide a description, the cardholder should write the description on the document. For items such as subscriptions and registrations, where a receipt is not normally generated by the merchant, a copy of the ordering document may be used so long as it contains a description and price. Copies or facsimile of the original receipt may be acceptable if the original is not available.

- If the documentation for a transaction is lost, it is the cardholder's responsibility to obtain a duplicate from the vendor. If a duplicate cannot be obtained, the cardholder is responsible for reimbursing the School District for the cost of the purchase. Excessive loss of documentation, defined as more than three times in one fiscal year, may result in the suspension of card privileges.
- Documentation should be maintained in accordance with District retention requirements and must be made readily available for review/audit, if requested.

(17) MAKING PURCHASES WITH THE CREDIT CARD

- The credit card can be used to make purchases over the counter, by mail, by fax, by telephone, or by Internet at any vendor that accepts Visa. The following procedures should be followed for credit card purchases:
 - i. *Purchasing Procedures:* When accepting a credit card, the cardholder becomes an authorized purchaser for the District with specific responsibilities for expending public funds. The credit card is never to be used in lieu of following District purchasing procedures.

The cardholder should ensure that funds are available for the purchase prior to the purchase and ensure the purchase is appropriate and in accordance with all District, State, and Federal (If applicable) rules and regulations.

Transactions made could also potentially be made with the use of federal funds. Purchases to be paid with funds through a grant must be approved by the grant coordinator at the Central Office prior to the purchase.

- ii. **Obtain Best Value:** The cardholder must utilize the lowest cost based on requirements, quality, and availability to obtain the maximum value of each dollar expended.
- iii. **Sales Tax:** When using the card, the cardholder should inform the vendor that the purchase is for official School District purposes, and therefore, may not be subject to Georgia state or local sales tax. If requested by the vendor, cardholders must present the sales tax exemption form, which can be obtained from the Hall County Schools website.

If sales tax is erroneously charged by the vendor, cardholders should make every effort to obtain a credit directly from the vendor. Documentation of attempts should be maintained with the transaction documentation. If a credit cannot be obtained from the vendor, the cardholder is responsible for reimbursing the cost of the tax.

- iv. *Making Over-the-Counter Purchases:*
 - 1. Always follow proper procurement procedures in obtaining approval for a purchase. The credit card is not a means to circumvent appropriate approval by an appropriate approver. A credit card purchase request form should be completed and approved by the cardholder prior to the purchase where possible.
 - 2. Verify that funds are available for the purchase. Purchases to be paid with funds through a grant must be approved by the grant coordinator at the Central Office prior to the purchase.

3. Verify that the supplier accepts Visa.
 4. Provide the credit card for payment.
 5. Inform the clerk that the purchase is for official School District purposes, and is, therefore, exempt from state and local sales taxes. The cardholder should verify that the clerk does not charge sales taxes.
 6. Verify the dollar amount is correct and no sales tax has been included.
 7. Retain a copy of the purchase order and the receipt. If the copy does not provide a description of the item(s) purchased, the cardholder should write the description on the credit card purchase request form or receipt.
 8. Retain the receipt and credit card purchase request form in accordance with District record retention policies.
- v. *Making Internet Orders:*
1. Always follow proper procurement procedures in obtaining approval for a purchase. The credit card is not a means to circumvent appropriate approval by an appropriate approver. A credit card request form must be completed and approved by the cardholder prior to the purchase.
 2. Verify that funds are available for the purchase. Purchases to be paid with funds through a grant must be approved by the grant coordinator at the Central Office prior to the purchase.
 3. Verify that the supplier accepts Visa.
 4. Provide the supplier with the requested card information.
 5. Inform the supplier that the purchase is for official School District purposes, and, therefore, exempt from certain state and local sales taxes.
 6. Give the supplier detailed shipping instructions to a School District location. Goods may **not** be shipped to a residential address or address other than a District business address under any circumstances. Providing shipping information to a non-approved address is considered a violation of credit card policies and may result in suspension of credit card privileges.
 7. Retain documentation for the purchases. Acceptable documentation includes, but is not limited to: a copy of the order form, a copy of a catalog page showing cost, print out of the online order confirmation, a print out of an e-mail confirmation, or an email/faxed order confirmation showing price along with the packing slip.
- vi. *Returning Purchases Made with the Credit Card*
1. If you determine that the material is defective or incorrect, notify the supplier that the item needs to be returned and request an address to ship to, and a return authorization number. Request that the supplier process a credit transaction through the card. Document that goods have been returned for credit. Ensure that the credit appears on the next monthly statement. If not, process the charge as a disputed transaction.

It is good practice to keep original boxes, containers, and special packaging until it is certain that goods will be kept. Some items must be returned in the original packaging.

vii. *Disputed Transactions*

1. It is the cardholder's responsibility to resolve discrepancies and ensure credits are received. When a cardholder discovers an incorrect amount has been charged for goods or services received, or a questionable purchase or transaction appears on a cardholder's monthly statement, the cardholder must immediately seek to resolve the problem with the

vendor. Any communications should be documented on the statement (or attachment) including dates, persons involved, and a brief description of the problem.

If the cardholder is unable to resolve the problem with the vendor, a credit card dispute form should be completed and sent to Branch Banking and Trust Company. The credit card administrator should be notified of the dispute and a copy of the dispute form and monthly statement should be sent to the Board central office. The School is still required to reimburse the Central Office reimburse the District for the disputed charges. Credits for disputed charges will be taken against future purchased made with the card. Cardholders should check the following month's statement to ensure that credit was received.

Disputes must be submitted within 30 days of the statement date.

(18) Monthly Credit Card Statement

- A monthly credit card statement will be generated by Branch Banking & Trust and mailed to the Central Office. The statement will be provided to each cardholder by the credit card administrator. When the cardholder receives the statement, it must be reviewed and reconciled against the accountable documents retained from each transaction on the statement. If the cardholder believes a transaction listed on the statement is incorrect, then procedures outlined in the Disputed Transactions section should be followed.

The reconciled statements are to be signed by the cardholder and counter signed (verified) by an appropriate approver designated by the credit card administrator.

Once the credit card statement has been reconciled and verified, the cardholder will complete a credit card allocation form to indicate charges between school funds and budget allotment funds.

Cardholders must provide a copy of the monthly credit card statement, the credit card allocation form, appropriate accountable documentation (Including all itemized receipts), and a check from the school, if applicable, to Phyllis Poole within seven days of the statement date. In no instance should a cardholder be allowed to approve their monthly credit card reconciliation.

(19) Violations of Policy

- Violations of credit card policy can be classified as minor or major. Violations are evaluated on an individual basis and any action taken is dependent upon the nature and frequency of the violation.
 - i. **Minor violations:** Minor violations include honest mistakes, such as inadvertently using the wrong card or making allowable purchases using District funds, but which are not allowed on the credit card. Minor violations should be addressed as follows:
 1. **First Offense:** The District is to address the violation with the cardholder and provide additional guidance as needed. Actions taken should be documented in writing.

2. **Second Offense:** The District is to address the violation with the cardholder through a written letter to the cardholder and provide additional guidance as needed. Actions taken should be documented in writing.
 3. **Third Offense:** Credit card may be cancelled or assigned to a different cardholder. The cardholder may request reinstatement or reassignment of the card after 10 business days.
- ii. **Major violations:** Major violations are those violations that indicate a willful intent to disregard rules that result in cardholder misuse (i.e. would include knowingly making personal purchases). The circumstances of the violation will determine the appropriate action, which could include termination of employment and criminal penalties. The credit card is to be suspended or immediately surrendered by the cardholder pending review and investigation by the Finance Department.