

(This sample policy authorizes the administration to implement and manage a program that allows approved district employees/agents to make purchases using a credit card associated with a district-controlled credit card account. The sample establishes general parameters for the program and assigns specific administrative responsibilities regarding the management, implementation, and oversight of the program. IMPORTANT: This sample requires the development and implementation of additional administrative rules and procedures as well as a training/orientation for authorized cardholders and card users. This policy does not include a comprehensive statement of individual cardholder responsibilities. Such responsibilities should be addressed in accompanying rules/procedures.)

The School Board recognizes that various practical, financial, and marketplace considerations make it important for the District and its authorized employees and agents to be able to make certain purchases using a credit card that has been issued through a District-controlled account. At the same time, because the authorized holders and users of such credit cards necessarily have the capability to obligate District funds through their purchases, it is critical for the District to maintain prudent internal controls that govern the District's Credit Card Program ("Program"), as authorized under this policy.

{Editor's Note: Smaller districts that do not have an administrative/supervisory-level business official may need to modify this paragraph to assign the primary responsibility directly to the district administrator.} Under the ultimate supervision of the District Administrator, the management, implementation, and oversight of the Program shall be a primary responsibility of the [insert applicable position – e.g., Business Manager], or an administrative level-designee assigned by the District Administrator in the absence of the [insert position – e.g., Business Manager].

The administrator assigned as the primary manager of the Program shall implement the Program subject to the following general parameters:

1. The Board shall approve the card issuer(s) through which the District obtains its credit card accounts.
2. The use of credit cards shall not be used to circumvent District purchasing and procurement procedures — such as obtaining appropriate approvals and documenting price/cost information from multiple potential vendors for purchases above a certain value.
3. The number of authorized cardholders and card users shall be kept to a reasonable minimum based on the Program manager's evaluation of both demonstrated need and the administration's capacity to sufficiently oversee and monitor the cardholders, card users, accounts, and transactions.
4. [Choose whichever statement reflects the district's needs and practices: "The Program may include both building/department-based cards (which may have multiple authorized users) and individually-assigned cards (which may be used only by the named cardholder)." OR "All cards issued within the Program shall be individually-assigned cards, which may only be used by the named and authorized cardholder."]
5. Unless otherwise expressly approved by the Board for possible limited use directly by the District's Business Office, the cards in the Program shall not be debit cards that directly debit funds held in District depositories. [Insert if applicable in the district: "In addition, the [insert

position(s) – e.g., District Administrator or Business Manager] must expressly approve, in writing, any card accounts within the Program that operate as pre-paid cards that have a specific cash balance (rather than credit cards) and, if approved, establish the extent to which the applicable rules and procedures differ for such cards."} **{Editor's Note: Verify that the district adheres to these limitations or modify this provision to better address the use of any debit or pre-paid purchasing cards with the district. Note that credit cards, which defer the actual disbursement of district funds until the relevant payment date for each billing cycle, generally align much better with both policies and legal requirements related to disbursements. Accordingly, any use of debit or pre-paid cards should be reviewed with the district's auditor and legal counsel.}**

6. As a default setting on all District credit card accounts, the ability to use the card to obtain a cash advance shall be blocked. **{Editor's Note: Verify that this is possible.}**
7. The accounts within the Program shall be structured and managed administratively so that the District:
 - a. Is able to use its exception from paying sales tax as often as is practical.
 - b. Normally pays its balances in full each month and avoids incurring interest charges for balances.
8. All authorized cardholders and card users shall be required to participate in at least a brief orientation meeting or similar training opportunity that addresses their responsibilities. **{Editor's Note: If this provision is retained in the final local policy, ensure that the district implements such a training/orientation opportunity.}**
9. Separate from any review or reconciliation performed by the cardholder/card user, all card transactions shall be reviewed by personnel in the District's Business Office and/or by a supervisor with Program-related responsibilities prior to the deadline for making payment of the current account balance. Additional random and other auditing (e.g., to confirm adherence to established procedures, actual delivery of products purchased to the District, etc.) shall also occur.
10. *[Insert any additional guidelines/parameters that may apply.]*

The following additional specific responsibilities shall be performed by the primary manager of the District's Credit Card Program or by a designee who remains under the close supervision and direction of the primary manager:

1. Developing, implementing, and revising as needed the District's procedures, rules, forms, and systems relating to the Program, including those that address the responsibilities of cardholders and card users. The primary manager of the Program may periodically consult with the District's auditors to review and improve the operation and security of the Program.
2. Approving authorized cardholders and card users, and also suspending, modifying, or removing such authority. This includes opening and closing card accounts.
3. In connection with authorizing cardholders and card users, obtaining a signed card user agreement that acknowledges the responsibilities, expectations, and procedures related to holding or using a District credit card. **{Editor's Note: See 673.1 Sample Rule 1 in the PRG.}**

- 4. Establishing and monitoring account-level and user-level restrictions and similar settings, including but not limited to transaction limits, account holder notification triggers, blocks or other restrictions based on geographic location or type of vendor, etc.
- 5. Identifying specific examples of prohibited transactions, recognizing that any such list will not be exhaustive of all possible inappropriate charges.
- 6. Working with the individual cardholders and card users to review, reconcile, and assign correct accounting codes for transactions, address disputed charges (including potentially fraudulent charges), and report and resolve lost or stolen cards or card information.
- 7. Maintaining documentation related to card accounts, transactions, internal controls, and other information relating to the Program.
- 8. Overseeing appropriate investigation and resolution of any suspected misconduct or impropriety that may arise in connection with the Program.
- 9. *[Insert any additional specific responsibilities of the primary manager.]*

Legal References:

Wisconsin Statutes

- [Section 66.0135](#) [contracts and orders, receipt of invoices, and payments]
- [Section 66.0607](#) [withdrawal or disbursement from local treasury]
- [Section 120.16](#) [school district treasurer duties]

Federal Law

- [2 C.F.R. Part 200 Subpart D](#) [post-award requirements under the federal Uniform Guidance for federal funds, including requirements related to financial management, internal controls, cash management, payment, and procurement standards]

Cross References:

[Insert appropriate cross references to the policy as applicable to your district.]

Adoption Date: