

**PURCHASING CARD PROGRAM**

The School Board of Broward County, Florida Purchasing Card (“P-Card”) Program is designed to support efficiency in processing small dollar purchases in alignment with Best Business Practices and in accordance with the procedures for control and use as outlined in the Purchasing Card Manual. The Purchasing Card shall not be used to circumvent the general purchasing procedures established by State law and School Board policy. The only person entitled to use the P-Card is the person whose name appears on the face of the card. The P-Card may not be lent to another person for any reason. Misuse of the P-Card may result in disciplinary actions up to an including revocation, termination, and legal prosecution.

Use of the P-Card does not relieve the cardholder from complying with Federal, State, local laws, regulations, or School Board policies and procedures.

Each P-Card has a declining balance and a specific amount of funds assigned to it based on the budget. The balance decreases with each purchase until the funds have been utilized and the P-card will not process additional transactions unless a new budget transfer is submitted and approved.

**A. Criteria to Obtain a P-Card:**

1. Permanent employee of The School Board of Broward County, Florida
2. Employee must annually review and complete the cardholder application
3. Employer’s Supervisor at the Principal, Director, or Department Head level, must annually approve the Employee’s cardholder application
4. Employee must annually complete P-Card training

**B. Spending Controls:**

1. Declining Balance
2. Credit Limit as Assigned
3. Single Transaction Limit as Assigned
4. Cash Prohibited
5. Travel Related Merchant Category Code Restricted

**C. Allowable Purchases:**

The P-Card may never be used for personal items or services, nor for the personal gain of credit card rewards such as bonus points, frequent flyer miles, or any other affinity program reward permitted under any circumstances. For a detailed list of allowable purchases and prohibited purchases, refer to the Purchasing Card Manual. Misuse of the P-Card shall be subject to the immediate payment of all improper charges by the cardholder and revocation of P-Card privileges.

**D. Lost or Stolen Purchasing Cards:**

If a P-Card is lost or stolen, the cardholder must immediately report to the Purchasing

**Commented [NL1]:** Mary to Mr. Rhodes: Have all past audit issues related to P Card audits been addressed in the proposed policy changes? NLW—Are there common audit themes that can be provided to staff to make it easier to incorporate lessons learned.

**Commented [NL2]:** Mayersohn: Amazon Prime account. District answer: yes, the District has an Amazon Prime account. Are there any rules regarding where purchases are sent? Answer: no written requirement, but it is a practice.

**Commented [NL3]:** Policy drives procedures. This policy would govern procedures. This reads the reverse

**Commented [NL4]:** Need manual. Manual needs to be reviewed. Cannot be in conflict with policy or include requirements not provided for in policy—ex. reconciliation by the 15<sup>th</sup> is not in policy, but needs to be.

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**Commented [NL5]:** From Bob Mayersohn: add “criminal charges” or replace “legal prosecution.”

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**Commented [NL6]:** Needs a policy reference—which budget? How is it established?

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**Commented [NL7]:** Same issue—in accordance with which policy?

**Commented [NL8]:** Paper or electronic process?

**Commented [NL9]:** Where can we find the training? District: Training is in Lab—recording. Ms. Andreu will send the training.

**Commented [NL10]:** Travel rules? Travel Authorization—can purchase whatever is needed.

Mayersohn: OK as long as appropriate controls are in place.

Fertig: How is travel defined? ...

**Commented [NL11]:** Medvin: How does A/P know if Procurement has an issue with a charge. Answer: Bil ...

**Commented [NL12]:** Mayersohn: Zero tolerance on personal use. Outline consequences. May be able to ...

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**Commented [NL13]:** Prohibited purchases can be predetermined with the bank. District—bank will decli ...

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**Commented [NL14]:** Seems to conflict with “may” from first paragraph.

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**Commented [NL15]:** Mayersohn—notify the bank. NLW--Notify the bank, their supervisor, and the p car ...

Card Coordinator at [pcardnotifications@browardschools.com](mailto:pcardnotifications@browardschools.com) and complete a P-Card Personnel Change Form to document the incident. The cardholder must immediately notify the Principal or department head regarding any lost or stolen card.

**Commented [NL16]:** Does not lend itself to tracking.

**Commented [NL17]:** How?

#### E. State Sales Tax on Purchases:

The District is exempt from paying sales tax on all purchases within the State of Florida. Each P-card is imprinted with the District sales tax exemption number. It is the responsibility of the cardholder to make the vendor aware that the transaction will be tax exempt prior to processing the sale. If requested for a transaction, the cardholder must supply the vendor with a copy of the District's Tax-Exempt Certificate.

**Commented [NL18]:** How do they obtain this? There need to be written procedures explaining how to obtain the tax-exempt certificate. The process should be as efficient as possible. Friedman—PDF or other electronic method. District res: will add to manual. Maybe certificate can be sent following training.

**Commented [NL19]:** If a p card cannot be used by others, the rule needs to be stated in policy.

**Commented [NL20]:** DiMeo—do users have online access, and does the district have administrative controls? Staff: Yes—BOA offers Global Card Access

**Commented [NL21]:** Mayersohn: User and approver signing off on roles and responsibilities.

**Commented [NL22]:** See earlier comment—electronic or paper? Where are they stored?

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**Commented [NL23]:** Violation of this policy will result in . . .

**Commented [NL24]:** From Naylor: Clarify "use."

#### F. Purchasing Card Users

District Staff, with the approval of their Supervisor at the Principal, Director, or Department Head level, may be assigned a P-Card after completing the relevant training and application procedures including appropriate-use P-Card standards. By signing the cardholder application, each P-Card user shall acknowledge the user's obligation to reimburse The School Board for any misuse of the P-Card and that violating those P-Card standards and procedures may result in a loss of P-Card privileges, disciplinary action, up to and including termination, personal responsibility for any and all inappropriate charges, including, without limitation, any finance charges and interest assessed in connection with the purchase, and/or possible referral to law enforcement authorities for prosecution.

#### G. Purchasing Card Approvers

Each P-Card cardholder applicant must be approved by the applicant's Principal, Director, or Department Head. P-Card applications of a Principal, Director, or Department Head must be approved by their supervisor. In the case of the Superintendent, the Chair of The School Board will serve as the approver of a cardholder application, and in the case of the School Board Members, the Superintendent will serve as the approver of a cardholder application.

**Commented [NL25]:** Rhodes: Board members may be subjected to same rules as staff. District—Board members are subject to the same rules.

Except in the case of a P-Card application from a School Board Member or the Superintendent, the P-Card approver must supervise the District location from whose budget the P-Card funds are allocated. In the case of P-Card assigned to staff that conduct purchases on behalf of other locations, schools, and departments, the transactions must be approved by the Director who is receiving the budget allocations from which the P-Card is funded.

#### H. Purchasing Card Approver's Responsibilities

The P-Card Approver will be responsible for the following:

- that each P-Card transaction is for an allowable District need.
- that each P-Card transaction is permissible under the budget fund allocated to the P-Card.
- that each P-Card transaction complies with all School Board policies, state and federal statutes and rules, and any other applicable local ordinances or grantee requirements.

**Commented [NL26]:** Responsibility for card user to review statement to ensure charges that need to be disputed are identified. Same for card approver

**Commented [NL27]:** Medvin: How does a/p KNOW IF Purchasing has an issue with a P Card charge? District—Accounts Payable does not pay the P Card bill until reconciliation is done. Staff will add to proposed policy.

**Commented [NL28]:** Will or shall? If this is the reconciliation section, need to specify due date of the 15<sup>th</sup> and be labeled appropriate.

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- that allocations for each P-Card transaction are appropriate and accurate, including but not limited to fund, general ledger (GL) accounts, functional areas, business areas, storage location, and any other item required for proper allocations in the District's Enterprise Resource Planning system(s).
- conducting a review of the receipts/invoices of each P-Card transaction to ensure that the transaction was received and/or used by the requesting District location. In the case of disputed transactions, documentation of the dispute must be sent via email or other means as directed by the Procurement & Warehousing Services department.
- disputing all P-Card transactions that are not in compliance with P-Card standards and procedures and require the cardholder to get a refund or reimburse the district for any noncompliant expenditure of funds.
- reporting instances of P-Card misuse and/or abuse to the Purchasing Card Administration.
- in the case of fund mismanagement by a cardholder:
  - the cardholder's approver shall receive disciplinary action, as defined in the applicable School Board policy.
  - the cardholder's approver shall have personal responsibility for any and all inappropriate P-Card charges, including, without limitation, any finance charges and interest assessed in connection with the purchase.

### I. Purchasing Limits

Purchases of commodities or services in excess of \$50,000 require a competitive solicitation or an exemption from competitive solicitation and shall not be made using a P-Card. A P-Card's credit limit must not exceed the purchasing authority of the cardholder's approver per School Board Policy 3800. In addition, P-Card purchases over \$5,000 must not be made unless the purchase is for a commodity or service that is under contract with The School Board with available spending authority and the District location has the available budget to make the purchase.

Purchases over \$5,000 for commodities or services purchased outside of a School Board-approved contract must have documentation of the exception that allows the extended credit limit to be approved and must be signed off by the cardholder's approver and the approver's supervisor. Exceptions to the P-Card Credit Limits will be granted at the P-Card Administrator's discretion.

### J. Exceptions to Single Transaction Purchasing Limits

Purchases of utilities and field trips in compliance with applicable District policies are exempt from the \$5,000 single transaction limit for P-Card use.

Policy Custodian: Procurement and Warehousing Services

Authority: Sections 120.52(6), 120.54, 120.81(1)(a), 215.322, 1001.32(2), 1001.41 (1) and (2), 1001.42(29), 1001.43(2), and 1010.04(2), Florida Statutes; Section 6A-1.012, F.A.C.

**Commented [NL29]:** Mayersohn: Manual or electronic process? Answer: Manual process. Hard copies—photocopies. Scanned and emailed. NOT uploaded to a database.

Mayersohn: County has P-Card auditors.

**Commented [NL30]:** From Lew: being held accountable for card user? Clarify intent.

DiMeo—Software to handle P-Card activity. Makes review easier and more efficient for approvers.

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**Commented [NL31]:** 400 - 500 active P Cards. Last month's bill approx \$2.2M.

Turso—looking for language that will help ensure cards being used appropriately.

Asked about additional reviewers. User, approver, audits—Audits needs to be added to policy language.

**Commented [NL32]:** Is it possible for spending limits to be exceeded?

**Commented [NL33]:** Mayersohn: Include language that prohibits splitting purchases. Ex. Staff should not be able to make multiple trips to purchase an item over their limit. Ex. three \$3,500 charges.

**Commented [NL34]:** Mayersohn: County has daily, single transaction limits. \$3,500 per transaction, \$6,500 daily, \$20,000 monthly.

District: \$5,000 per transaction limit. No daily or monthly limit. Limited to what is budgeted.

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