

**McDowell County Board of Education  
Purchasing Card Policy and Procedures**

**1.0 Purpose**

The purpose of this policy is to establish guidelines for the McDowell County Board of Education's Local Government Purchasing Card (P-Card) Program. The P-Card is a preferred method of payment for certain designated transactions or dollar amounts. All applicable laws, rules and regulations, P-Card Policies and Procedures, and other governing instruments must be followed, regardless of the method of payment, including, but not limited to obtaining bids, quotes, and issuance of purchase orders. The P-Card may be used to make payments for goods, services, and travel that are not prohibited by P-Card Policies and Procedures, travel policies, or applicable laws, rules or regulations. Personal charges are prohibited.

In accordance with WV Code, 6-9-2a, 6-9-2b, and 6-9-2c, the McDowell County Board of Education does hereby institute this policy for the use of the Local Government Purchasing Card.

**2.0 Definitions**

- 2.1 Cardholder: Individual responsible for and named on the P-Card.
- 2.2 Cardholder Agreement Form: A form signed by the cardholder that acknowledges that the card holder has had adequate training, understands the P-Card Policies and Procedures, and accepts responsibility for compliance with all policies and procedures.
- 2.3 LG P-Card Account Administration Worksheet - A file that initiates the P-Card issuance process, account maintenance, new billing accounts and coordinator changes.
- 2.4 Disputed Item: Any transaction that was not authorized by the individual cardholder.
- 2.5 Goods: Materials, supplies, commodities, equipment, and any other articles or items used by or furnished to an Entity.
- 2.6 Official Use: Payments made by a cardholder on behalf of the McDowell County Board of Education as permitted by law and P-Card Policies and Procedures.
- 2.7 P-Card Coordinator: The individual designated by McDowell County Board of Education to administer the P-Card Program within the Entity.
- 2.8 P-Card Delegation: The practice of allowing an individual other than the cardholder whose name appears on the front of the P-Card to have access to the P-Card number to initiate or complete a transaction.
- 2.9 P-Card Provider: The financial institution providing P-Card services to the Local Government P-Card Program.
- 2.10 Purchasing Card (P-Card): A payment account issued in the name of the individual employee of the McDowell County Board of Education for official use.
- 2.11 Receipt: An itemized document indicating the vendor, the price per item, and the total amount charged in a transaction
- 2.12 Transaction: The payment for goods and services and other items.

2.13 Transaction Limit: The maximum dollar amount permitted in any single transaction.

2.14 Vendor: The supplier of goods and services to McDowell County Board of Education.

### 3.0 Procedures

3.1 The Treasurer/Chief School Business Official is responsible for administering the McDowell County Board of Education Purchasing Card (P-Card) Program and is the P-Card Coordinator; however, additional employees may be designated as P-Card Coordinators or as necessary to manage the P-Card Program and provide segregation of duties. Individual transaction limits and credit limits are determined by the P-Card Coordinator and approved by the State Auditor's Office Local Government P-Card Division. It is a violation of policy to manipulate the ordering, billing, or payment process in order to circumvent established cardholder limits.

3.2 The district has three types of Purchasing Cards that are suitable for our various staff and management functions.

**Type 1:** The first type is a "general operation card" to be used by schools and departments to purchase operating supplies, materials, services, and travel for business purposes. Supplies and materials costing less than \$500.00 per item. Departmental purchases for maintenance and transportation shall not exceed \$2,000.00 per item for operation supplies and materials.

**Type 2:** The second type of card will be used for larger purchases made in accordance with board awarded contracts or bids and the Purchasing Department to purchase capital equipment, (including computers, software, furniture and other items), costing in excess of \$500 per item.

**Type 3:** This third type of card will be under the control of the Business Department and will also be used to pay certain charges that are exempt from competitive requirements such as insurance premiums, memberships, exempt professional services, utilities and phone bills. Utility companies may not charge a surcharge for the convenience of paying with utilities card.

3.3 Purchasing cards will only be issued to approved, regular, full-time employees. P-Cards will not be issued to temporary or part-time employees, contractors, volunteers, or students, unless approved by the Board. Each P-Card will be issued in the name of the individual employee. P-Cards cannot be issued generically in the name of McDowell County BOE, unless approved by the Board.

3.4 To be issued a P-Card, employees must complete all required forms and attend training provided by the WV State Auditor's Office Local Government Division on the procedures and responsibilities of P-Card use. Required forms may be found in Appendix A.

3.5 Once a P-Card is issued, only the employee whose name appears on the front of the P-Card is an authorized user of the P-Card; the P-Card is not transferable and by accepting the P-Card, the employee assumes responsibility for his/her P-Card and responsibility for all charges made with his/her P-Card.

3.6 P-Card delegation is prohibited. P-Card delegation includes allowing an individual other than the cardholder to:

- 3.6.a have physical possession of the P-Card to make payments to point of sale vendors.
- 3.6.b have access to the P-Card number and expiration date to make payments via telephone, internet, or in person;
- 3.6.c have access to receipts or invoices that display the P-Card number and expiration date.

3.7 All aspects of the P-Card and related documents must be kept secure.

3.8 Purchases may be made by phone, fax, mail, in person, or by secured internet site. A secured internet site has a closed "lock" on the screen. Cardholders may use the P-Card for authorized travel expenses; however, since employees are provided per diem for meals when traveling, the P-Card cannot be used to purchase meals. Travel

expenses shall not include any personal expenses on hotel folios such as room service or movies, etc. Proper documentation must be provided for any billing (i.e. hotel folio) relating to multiple travels.

- 3.9 It is the cardholder's responsibility to make sure the vendor has the complete shipping address and to provide a tax exempt certificate for in-state purchases. It is also the cardholder's responsibility to obtain an itemized invoice or receipt for the transaction.
- 3.10 The credit card program of the McDowell County Board of Education includes the purchasing card provided through the Local Government P-Card Program created and administrated by the WV State Auditor's Office.
- 3.11 At no time shall the Board's credit cards be used for personal purchases or to obtain cash, cash advances or cash credits.
- 3.12 Cardholders are required to inform merchants that the purchase is being made for the McDowell County Board of Education and is not subject to State or local sales tax. Local Government Entities are tax exempt for sales tax and hotel/motel tax, municipal tax and should not pay tax to in-state vendors. The words "Tax Exempt" and the Entity's tax identification number are printed on the P-Card. The cardholder may be required to provide the vendor with a copy of the McDowell County Board of Education's tax-exemption certificate. It is the cardholder's responsibility to ensure charge accuracy. Sales tax, incorrect shipping charges or other invalid charges to the card should be addressed immediately with the vendor by the cardholder.
- 3.13 Lost or stolen P-Cards must be reported to the P-Card Coordinator within 24 hours to limit cardholder liability. Upon termination of employment for retirement, voluntary separation, resignation, or dismissal, or in the event of transfer or relocation, the cardholder agrees to surrender and cease use of the P-Card. In addition, the cardholder may also be asked to surrender the P-Card at any time deemed necessary by the Board's administrative staff.
- 3.14 Cardholders are responsible for the review, acknowledgement or dispute of all transactions that appear on their P-Card statement. Proper documentation must be obtained and maintained for each transaction placed on the P-Card and must be maintained for inspection in accordance with record retention guidelines. Any returned goods must be credited to Purchasing Card. Debit cards, gift cards or cash are not an acceptable method of receiving refunds for returned goods. Any deviation from this procedure must be reported to the program administrator.

Once reconciled, the monthly statement is to be signed by the cardholder as proof of reconciliation and then approved and signed by the school/department coordinator and reviewer. After proper signatures are obtained, it should be forwarded on to payment processing with the original statement and the original receipts. Departments must send reconciled, account coded, sorted and signed reports with original statement and backup to purchasing department within 5 working days from last business day of the month.

- 3.15 McDowell County Schools shall maintain all documentation relating to the P-Card Program (cardholder applications, agreements, maintenance forms, training certificates, and transaction support documentation) until a post-audit review has been completed by either the State Auditor's Office Chief Inspector Division or a firm approved by the Chief Inspector. Furthermore, the Entity shall maintain these records as long as the Purchasing Card is active or for current year plus 3 years from the end of the fiscal year in which the last transaction was completed, whichever is longer.
- 3.16 Random post-audit reviews and compliance inspections, as well as monitoring, of Purchasing Card transactions will be conducted by the Chief Financial Official or designee to ensure compliance with all Purchasing Card policies and procedures. Transactions receipts, reconciliation documentation, and related support documentation must be provided upon request.

- 3.17 It is unlawful for any vendor doing business with the State of West Virginia or the McDowell County Board of Education to provide a bribe, gratuity or kickback in any amount to a Purchasing Cardholder or a school/department. Schools/Departments receiving gifts with nominal value may keep such a gift (e.g., candy, fruit baskets, etc.) as long as they are unsolicited and shared and distributed fairly throughout the school/department of the gifts may be donated to charities. Any gift valued in excess of the amount noted in the State's Ethics Act (West Virginia Code 6B-1-1, et seq.) "The Ethics Act," should be returned to the vendor if possible and reported to the McDowell County Purchasing Card Administrator.
- 3.18 Employees failing to properly follow purchasing policies, procedures, and state law associated with the purchasing card program are subject to disciplinary action up to and including revocation or limitation of purchasing card privileges, a period of probation, or mandatory purchasing card training. Further, employees may be subject to disciplinary action up to and including termination and prosecution by the school system, and subject to civil action by the credit card company for personal liability if the employee knowingly pays for items intended for personal use.

Source: WV Code 6-9-2a, 6-9-2b, 6-9-2c

Adopted: August 19, 2019

APPENDIX A

PARTICIPATING EMPLOYEE'S ACKNOWLEDGEMENT OF RESPONSIBILITIES  
IN THE MCDOWELL COUNTY BOARD OF EDUCATION PURCHASING CARD PROGRAM

By participating in the aforementioned Board of Education's Purchasing Card Program as a cardholder, you assume responsibilities pertaining to the operation and administration of the Board's Purchasing Card Program. These responsibilities include but are not limited to the following:

1. The Board's Purchasing Card is to be used for business expenditures only.
2. The Purchasing Card will be issued in the name of the School or Board of Education and the employee. By accepting the card, the employee assumes the responsibilities for the card and will be responsible for all charges made with the card. The card is non transferrable and may not be used by anyone other than the cardholder.
3. The Purchasing Card must be maintained with the highest level of security. If the card is lost or stolen, or if the cardholder suspects the card or account number to have been compromised, the cardholder agrees to immediately notify the county board treasurer.
4. All charges will be billed and paid directly by the School or Board of Education. On a monthly basis. The cardholder will receive a statement listing all activity associated with card. This activity will include purchases made during the reporting period. While the cardholder will not be responsible for making payments, the cardholder will be responsible for the verification and reconciliation of all account activity.
5. The Purchasing Card holder's account may be subject to periodic internal control reviews and audits designed to protect the interests of the Board. By accepting the card, the cardholder agrees to comply with these reviews and audits. The cardholder may be asked to produce the card to validate its existence and produce statements and receipts to verify appropriate use.
6. Parameters and procedures related to the Schools or Board's Purchasing Card may be updated or changed at any time. The Board will promptly notify all cardholders of these changes. The cardholder agrees to and will be responsible for the execution of any program changes.
7. The cardholder agrees to surrender and cease use of his/her card upon termination of employment whether for retirement, voluntary separation, resignation, or dismissal. In addition, the cardholder must surrender and cease use of the card in the event of transfer or relocation. The cardholder may also be asked to surrender the card at any time deemed necessary by the Board's management.
8. Misuse or fraudulent use of the card may result in disciplinary actions and may be grounds for dismissal.

By signing below, I acknowledge that I have received the training provided by the Board and have read and agree to the terms and conditions of this document. I certify that as a participating cardholder of the Board's Purchasing Card Program, I understand and assume the responsibilities specified above.

Employee Signature	Job Title	Date
Program Administrator		Date