

2015

# DeSoto Independent School District

## American Express Corporate Card Manual

American Express Travel Related Services Company, Inc. has been contracted to provide services under the American Express Corporate Card Account program to senior administrators in DeSoto ISD. The attached procedures are specifically designed for the Corporate American Express and have no impact on the American Express Procurement Card program.



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#### Preface – Board Policy CH(Local)

The Board shall assume responsibility for debts incurred in the name of the District so long as those debts are for purchases made in accordance with the adopted budget, state law, Board policy, and the District’s purchasing procedures. [See CE] The Board shall not be responsible for debts incurred by persons or organizations not directly under Board control. Persons making unauthorized purchases shall assume full responsibility for all such debts.

All purchase commitments shall be made by the Superintendent or designee in accordance with administrative procedures, including the District’s purchasing procedures.

**District employees shall not be permitted to make purchases for personal use through the District’s business office.**

#### Introduction

#### Purpose

*American Express Travel Related Services Company, Inc. has been contracted to provide services under the **American Express Corporate Card Account** program. DeSoto Independent School District has issued these cards to senior level administrators to allow for a more efficient and cost-effective method of making approved purchases.*

The American Express Corporate Card program streamlines the District’s payment process by reducing the number of checks issued through Accounts Payable.

***The Corporate Card program is not intended to avoid or bypass appropriate purchasing or payment procedures due to time constraints but to complement the existing processes available. It is to be used for DeSoto ISD purchases only.***

#### Authorized Users

Corporate cards are issued to Desoto ISD senior administrative employees with the role and responsibility for acquisition of goods and services necessary for the effective and efficient operation of school, academic, and administrative departments.

American Express will issue corporate cards tailored specifically for official school district use to designated administrators of the District.

#### American Express Corporate Card Account “Cardmember”

Each American Express Corporate card will be issued to an individual “cardmember” and will have both Desoto ISD and the designated employee cardmember’s name embossed on the front of the card. Each cardmember is a purchasing agent of the Desoto ISD and subject

to all State law and District Policies.

The Desoto ISD purchasing card will look similar to other American Express cards issued under a personal account. However, **the corporate cards are for official school district use only**. The card will have no impact on an employee's personal credit even though their name is on a Desoto ISD card.

**UNDER NO CIRCUMSTANCES SHOULD THIS CARD BE USED FOR PERSONAL PURCHASES.**

Responsibilities of Program Participants

**American Express corporate cards are for official school district use only.**

Prudent, good business judgment must be exercised at all times when making a purchase with a district credit card. Cardholders are expected to be as conscientious with district funds as they would be their own. Before any purchase is made, the cardholder must ask: **"How will this transaction be perceived by the public we serve?"** Any purchase perceived as being excessive, exorbitant or inconsistent with educational business purposes will be scrutinized, and if deemed appropriate, the cardholder will be required to compensate the District from their personal funds for the difference in reasonable and customary costs.

Cardholder is responsible for the following:

- Complying with District purchasing policies and procedures
- Ensuring the security of the Corporate Card at all times
- Making purchases and/or returns
- Informing vendor or tax-exempt status
- Obtaining sales receipts or other proof-of-purchase for all transactions.
- Reviewing and validating all charges/credits on statement
- Resolving errors and disputes with the vendor
- Ensuring that funds are appropriated and available before purchases are made
- Submitting original receipts and supporting documentation to the Finance Department within 24 hours of purchase or return to the district if out of town.
- Maintaining copies of statements and/or receipts
- Reporting lost, stolen, damaged, or compromised cards to the Program Administrator.

**Failure to comply with any one or more of the listed items may result in revocation of card privileges.**

#### Acceptable Use

Goods and services needed by Desoto ISD schools and departments may be purchased using the American Express Corporate Card within the limits and restrictions described in this *Manual*. All credit card purchases must be consistent with campus or district improvement plan.

#### Single Transaction Card Limit

The Superintendent shall set the maximum amount of any single transaction limit for each authorized employee. This amount will be reviewed annually; however, the single transaction limit is subject to change at any time. The single transaction limit is the amount that can be spent with a single vendor or in a single procurement category at any one time. It is the responsibility of the cardholder to comply with the limits set forth by the superintendent or to obtain written permission to exceed single transaction limit. **Violation of this guideline may result in revocation of card use/privilege.**

#### Monthly Transaction Card Limit

The Superintendent may choose to set a monthly spending limit for each authorized employee. The monthly spending limit is the amount that can be spent during the 30-day billing cycle.

#### Component and Sequential Purchases

A Trustee, employee, or agent shall not, with criminal negligence, make or authorize separate, sequential, or component purchases to avoid the purchasing requirements set out in Education Code 44.031. An officer or employee shall not knowingly violate Education Code 44.031 in any other manner. "Component purchases" means purchases of the component parts of an item that in normal purchasing practices would be made in one purchase. "Separate purchases" means purchases, made separately, of items that in normal purchasing practices would be made in one purchase. "Sequential purchases" means purchases, over a period, of items that in normal purchasing practices would be made in one purchase. Violation of this provision is a Class B misdemeanor and an offense involving moral turpitude, conviction of which shall result in removal from office or dismissal from employment. *Education Code 44.032*

#### Prohibited/Improper Purchases

Desoto ISD employees will use purchasing cards for acquisition of goods and certain services necessary for the effective and efficient operation of school, academic, and administrative departments. **Any personal purchases may be considered misappropriation of District funds, which constitutes a criminal offense and must be referred to**

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**the DeSoto ISD Chief Financial Officer.** All purchases perceived as being exorbitant or inappropriate will be questioned, and if deemed so, must be reimbursed to the District.

#### Sales & Use Tax

DeSoto ISD is a tax-exempt entity and is not subject to sales tax for purchases within the state of Texas. It is the responsibility of the cardholder to inform the vendor that the transaction will be tax-exempt prior to processing the sale. Be sure to present the Texas Sales and Use Tax Exemption Certification form to the vendor to make them aware of the tax exemption. If the vendor charges a sales tax, the cardholder must contact the vendor and obtain a credit or reimburse the District for sales tax charged. **Do not accept cash as reimbursement to settle the sales tax error.** Instruct the vendor to credit the card that was charged. (Erroneously paid tax is the responsibility of the cardholder.)

#### Hotel Taxes

The District is exempt from the state tax portion of **Texas** hotel taxes but is required to pay hotel city/occupancy taxes within the state of Texas. If Texas state hotel taxes are charged, the cardholder will be responsible for contacting the vendor for a credit or reimburse the District for the state hotel taxes charged. The district is not exempt from other states' hotel and occupancy taxes.

#### Vehicle Rentals/Airfare Taxes

Vehicle rentals and airfare purchases are not exempt from sales tax.

#### Supporting Documentation

It is the cardholder's responsibility to obtain itemized sales receipts, internet/e-mail confirmations, or e-receipts for all purchases or travel arrangements and submit the originals to Finance.

Acceptable Receipts contain:

- Vendor/merchant name
- Date of transaction
- Clear description of items purchased
- Detailed costs including any sales taxes or delivery charges

Unacceptable receipts include receipts without item description; receipts with vague item descriptions such as "gen mdse", "misc", "tx item", "item 1", product numbers or serial numbers in lieu of descriptions; and receipts without vendor name, date of transactions and amount paid to vendor.

**NOTE:** If a receipt is lost or is not itemized, it is the cardholder's responsibility to obtain a duplicate copy from the vendor. If the cardholder is unable to obtain a copy of the receipts, the cardholder

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may be held responsible and be required to reimburse the District with his/her personal funds for the unsupported transactions.

#### Compliance

Use of the American Express Corporate Card does not relieve the cardholder from complying with Federal, State, Local laws, ordinances, regulations, and Board policies and procedures. Cardholders who violate policies and procedures will be subject to disciplinary action up to and including termination, including immediate payment for all unauthorized purchases and revocation of card privileges.

1<sup>st</sup> Offense – Cardholder will receive a written warning containing guidance on correcting the situation.

2<sup>nd</sup> Offense – Suspension for a minimum of 30 days. (Suspension may be longer if the situation is not remedied.)

3<sup>rd</sup> Offense – Revocation of the Corporate Card. (Termination of employment may result depending on the severity of the violation.)

#### Audit of Transactions

The District reserves the right to perform periodic audits of cardholder's transactions to ensure compliance with policies and procedures. All records are subject to audit by state and federal auditors, funding agencies, grantors, and other governmental agencies with funding jurisdiction. Independent auditors employed by the District, the Board of Trustees, or any funding agencies will be granted full access to all cardholders and documentation upon request. Any attempts to mislead or withhold documentation from an auditor will subject the cardholder to disciplinary action up to and including revocation of card privileges and termination of employment.

#### Returns and Credits

To return items purchased with the Corporate Card

1. Contact the vendor for instructions
2. Document vendor personnel handling return, return date, tracking numbers
3. Follow up with vendor to ensure return items were received
4. Make sure credit appears on monthly statement
5. Maintain documentation of all credits, returns and exchanges to be attached to the monthly statement.

The vendor should issue a credit for billing errors, sales tax, defective merchandise, returned good or cancelled orders. The credit will appear on subsequent statement. If not, contact the vendor.

#### Disputes and Erroneous Charges

Disputed billings can result from many factors including unauthorized purchases. In most cases, disputes can be resolved between the vendor and the cardholder; however, if a resolution cannot be

reached, the cardholder should contact the Program Administrator and provide any supporting documentation. All unresolved errors or disputes should be communicated within 60 days of the original transaction.

#### Reporting a Lost or Stolen Card

Cardholders must notify American Express and the Program Administrator immediately when a card is discovered lost or stolen. Report a lost or stolen card to American Express by calling 1-800-492-4920 (24 hours a day/7 days a week). The cardholder must submit written confirmation of the card cancellation request to the Program Administrator. A new card will be issued by American Express and delivered to the Program Administrator.

#### Card Security

The American Express card is the responsibility of the cardholder and must be kept in a secure location at all times. Ultimately, the person whose name appears on the card is responsible for its use and safety.

To prevent unauthorized use of the card:

1. Do not under any circumstances give the card or card number to others
2. Do not give the card number to merchants to keep on file for future use.

<b>ALLOWABLE TRANSACTIONS</b>
<b>CORPORATE CARDS MAY BE USED FOR THE FOLLOWING</b>

Acceptable Purchases	Examples
<i>Operational Supplies</i>	<i>Medical, Janitorial, Food, Office</i>
<i>Event Scheduling</i>	<i>Conference Rooms, Meeting Rooms, Facility Rental, Catering</i>
<i>Courier Services</i>	<i>Fed-Ex, UPS, Lone Star, Postage Stamps</i>
<i>Classroom Materials</i>	<i>Books, Videos, Art Supplies</i>
<i>Technology</i>	<i>From approved hardware &amp; software list; or accessories</i>
<i>Registration Fees</i>	<i>Membership Dues, Seminars, Training Courses, Dues and Subscriptions</i>
<i>Employee travel expenses</i>	<i>Airfare, Vehicle Rental, Lodging, Meals</i>

<b>PURCHASING DO'S</b>
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- Store & Maintain DISD American Express Card in a safe & secure place
- Use Card for Official DISD Business **ONLY**
- Immediately report missing, lost or stolen Cards to American Express at 1-800-492-4920 and the Card Administrator at 972-223-6666 ext. 216
- Immediately report inappropriate purchases to the Card Administrator at 972-223-6666 ext. 216
- Know your single transaction dollar limit
- **Get Receipts** for each transaction & **Obtain Credit Slip** for returns
- Ask questions **before** making questionable purchases

<b>RESTRICTIONS AND EXEMPTIONS</b>	
<b>CORPORATE CARDS MAY NOT BE USED FOR THE FOLLOWING</b>	
<b>Restriction</b>	<b>Examples</b>
Purchase of items for personal use	Alcohol, Personal Clothing, Gum & Candy, Personal Phone Calls,
Contracted Services	Temporary Services, Consultants
Gift card purchases	Best Buy, Apple, HEB, Wal-Mart
Cash refunds or advances	Store Refunds, ATM's, Extra Cash with Purchase

<b>PURCHASING DON'TS</b>
<ul style="list-style-type: none"><li>• Carry Card on a daily basis or store with your personal credit cards</li><li>• Purchase items or services specifically excluded in the purchasing policy</li><li>• Exceed transaction amounts greater than the approved dollar limit</li><li>• Make multiple, sequential transactions intended to circumvent transaction limits, purchasing policy or state law</li><li>• Purchase goods or services at a merchant that would not be considered prudent or of good judgment</li><li>• Purchase goods or services from a merchant who does not provide an itemized receipt</li></ul>

## **Desoto Independent School District**

### **Corporate American Express Card Agreement Form**

The issuance of a Corporate American Express card represents the District's trust in you. You are empowered as a responsible employee to safeguard District assets. Your signature below is verification that you have read and understood the Corporate Card Manual, and agree to follow all procedures outlined.

1. I understand the card is for District "APPROVED" purchases. I agree not to charge personal purchases.
  
2. The card is issued in my name and I am responsible for any and all charges against the card. I will not allow any other person to use the card for business or personal use.
  
3. If the card is lost or stolen, I will immediately notify American Express by telephone. I will confirm the telephone call with an email to the Program Administrator upon my discovery of loss or theft, or as soon as possible upon my return to work.
  
4. I agree to surrender the card immediately upon request, transfer to another position or termination of employment, whether for retirement, voluntary or involuntary reasons.
  
5. All charges will be billed directly to and paid directly by the District. The bank cannot accept monies from me directly.
  
6. As the card is District property, I understand that I will be required to follow internal control procedures designed to protect District assets. This will include being asked to produce the card to validate its existence and account number. I will also be required to produce receipts and statements to audit its use.
  
7. I am responsible for all charges (but not for payment) on the card, I will resolve any discrepancies by contacting Program Administrator.
  
8. I understand that a DISD American Express Corporate Card is assigned to me based on my need to purchase materials for the District. My card may be revoked based on change of assignment, duties or worksite location. I understand that the card is not a benefit, term or condition of employment, an entitlement, a prerequisite nor reflective of title or position.

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9. I understand that in order to recover charges which have been deemed exorbitant or inappropriate the district may garnish my wages.

10. Any failure to use this card in accordance with DISD procedures or any personal charges billed to the District will be considered misappropriation of District funds and a violation of DISD policy. This may result in disciplinary action, up to and including termination of employment and could be a violation of the law that could subject me to criminal prosecution.

11. I acknowledge that I have received DISD American Express Corporate Card #\_ \_ \_ \_ (last four digits of Purchase Card)

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**Cardholder Name (Print)**

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**Cardholder Signature**

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**Date**