

IDEA Public Schools

# CORPORATE CARD POLICY



**IDEA PUBLIC SCHOOLS BOARD POLICY  
CORPORATE CARD POLICY**

**Contents**

**Sec. 1. Purpose of Policy. .... 3**

**Sec. 2. Authority Over Fiscal Matters..... 3**

**Sec. 3. Introduction. .... 3**

**Sec. 4. Program Overview. .... 4**

**Sec. 5. Agreement Required..... 4**

**Sec. 6. Duties and Responsibilities..... 4**

Sec. 6.1. Corporate Card Administrator. .... 4

Sec. 6.2. Cardholder..... 5

    Sec. 6.2.1. Prudent Person Rule..... 5

    Sec. 6.2.2. Abuse and Waste Prohibited. .... 5

    Sec. 6.2.3. Disclosure of Conflicted, Interested, or Related-Party Transactions..... 5

    Sec. 6.2.4. Authorized Use..... 5

    Sec. 6.2.5. Method of Procurement..... 6

    Sec. 6.2.6. Maximum Allowable Travel Costs. .... 7

    Sec. 6.2.7. Safeguarding Card..... 7

Sec. 6.3. Reconciler. .... 7

Sec. 6.4. Approver. .... 7

Sec. 6.5. Grant Manager. .... 8

**Sec. 7. Issuance and Cancellation..... 8**

Sec. 7.1. Eligible Employees. .... 8

Sec. 7.2. Corporate Card Cancellation..... 8

**Sec. 8. Corporate Card Controls. .... 9**

Sec. 8.1. Credit Limits. .... 9

Sec. 8.2. Merchant Category Code Block..... 9

Sec. 8.3. Security of the Corporate Card. .... 9

Sec. 8.4. Fraudulent Charges. .... 10

Sec. 8.5. Lost or Stolen Cards..... 10

Sec. 8.6. Unrecognized Transactions and Billing Errors..... 10

Sec. 8.7. Returns and Credits..... 11

Sec. 8.8. Permitted Corporate Card Transactions..... 11

Sec. 8.9. Prohibited Purchase Card Transactions. .... 11

Sec. 8.10. Alcoholic Beverages. .... 12

Sec. 8.11. Purchase Documentation. .... 12

Sec. 8.12. Tax Exempt Status. .... 13

Sec. 8.13. Merchant Decline..... 13

Sec. 8.14. Outstanding Corporate Card Balance. .... 13

**Sec. 9. Monthly Statement and Reimbursement Process..... 14**

**IDEA PUBLIC SCHOOLS BOARD POLICY  
CORPORATE CARD POLICY**

Sec. 9.1. Online Access. .... 14  
Sec. 9.2. Monthly Statement..... 14  
Sec. 9.3. Required Records..... 14  
**Sec. 10. Violations and Penalties..... 14**  
Sec. 10.1. Penalties. .... 14  
    Sec. 10.1.3. Meal Violations..... 15  
    Sec. 10.1.4. Gift & Award Violations (not deductible under the Internal Revenue Code). .... 15  
    Sec. 10.1.5. Non-Compliance of Program. .... 15  
    Sec. 10.1.6. Penalty Escalation Matrix. .... 16  
Sec. 10.2. Failure to Document. .... 16  
Sec. 10.3. Cardholder Appeals..... 16  
**Sec. 11. Corporate Card Program Audits. .... 16**  
**Sec. 12. Training and Updates. .... 18**  
**Sec. 13. Administrative Procedures..... 18**  
**Sec. 14. Date Adopted and Effective..... 18**  
**Sec. 15. Retention. .... 18**

**IDEA PUBLIC SCHOOLS BOARD POLICY  
CORPORATE CARD POLICY**

**Sec. 1. PURPOSE OF POLICY.**

Through this policy, the Board of Directors (hereafter, the “Board”) of IDEA Public Schools (hereafter, “IDEA”) shall address the legal requirements, as applicable, promulgated at:

- (a) Texas Constitution, Article 3, Sec. 50, 51, 52 and 53;
- (b) Texas Business Organizations Code (“Tex. Bus. Org. Code”) Sections 3.101, 22.201, 22.221 and 22.235;
- (c) Texas Education Code (“Tex. Ed. Code”) Sections 12.107, 12.1052, 12.115(a)(2), 12.121 and 12.128;
- (d) Texas Administrative Code, Title 19 (“19 TAC”), Sections 100.1022, 100.1032, 100.1033, 100.1043, 100.1047, 100.1063, 100.1101, and 100.1203;
- (e) Code of Federal Regulations, Title 2, Part 200; and
- (f) Financial Accountability System Resource Guide.

**Sec. 2. AUTHORITY OVER FISCAL MATTERS.**

Sec. 2.1. Refer to the Board’s policy relating to its authority over fiscal matters for requirements applicable to this policy. In the event of a conflict between this policy and the Board’s policy relating to its authority over fiscal matters, the latter policy shall prevail and govern.

Sec. 2.2. As established under Sec. 6.2.3 and Sec. 11.3 of this policy, the Delegates shall report to the Board any business arrangement or transaction with an individual that is an officer, as defined in Sec. 5 of the Board’s policy relating to its authority over fiscal matters, and any conflicted,<sup>1</sup> interested,<sup>2</sup> or related<sup>3</sup> party as defined in other Board policy or applicable law. IDEA may not enter into a business arrangement or conduct a transaction in such a manner so as to circumvent this requirement.

**Sec. 3. INTRODUCTION.**

The Corporate Card Program (“Program”) is an efficient, cost-effective method of paying for certain travel related expenses and to purchase authorized personal property, supplies, and non-professional services without issuing a purchase order. The use of the corporate card to pay for a purchase does not exempt IDEA Public Schools (IDEA) or its officers and employees from the purchasing requirements of state law, federal regulation, or IDEA policy. It is incumbent on the cardholder to ensure that applicable laws, rules and policies are followed. Additionally, IDEA officers and employees shall comply with other policies adopted by the Board, including, but not necessarily limited to, the Accountable Plan Policy, Employee Awards and Gifts Policy, and Fixed Asset Policy, as applicable.

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<sup>1</sup> Tex. Ed. Code § 12.1054; 19 TAC §§ 100.1131 through 100.1135

<sup>2</sup> 19 TAC § 100.1047(f)

<sup>3</sup> Tex. Ed. Code § 12.1166

**IDEA PUBLIC SCHOOLS BOARD POLICY  
CORPORATE CARD POLICY**

**Sec. 4. PROGRAM OVERVIEW.**

As set forth in this policy, the Board authorizes the Delegates to establish a corporate credit card program to permit authorized IDEA employees to travel for business-related purposes and to purchase miscellaneous supplies and/or non-professional services. The Delegates shall only allow the use of the corporate card for official IDEA business purposes, in conjunction with the employee's job duties, and prohibit the use of the Program for personal benefit or use. Any employee authorized to participate in the Program shall be required to sign a Corporate Cardholder Agreement. In addition to other pertinent requirements, the Corporate Cardholder Agreement shall require the employee to pay for any unsubstantiated charges, unallowable charges or for the purchase of personal property and non-business-related supplies and/or non-professional services.

**Sec. 5. PARTICIPATION REQUIRED.**

Sec. 5.1. An IDEA employee who incurs more than \$500 per month in expenses on behalf of IDEA for business related activities shall participate in IDEA's Corporate Card program.

Sec. 5.2. Sec. 5.1 of this policy notwithstanding, an IDEA employee may decline to participate in IDEA's Corporate Card program; however, in doing so, the employee shall not be assigned or otherwise receive a corporate card. In electing to opt out of the Corporate Card program, the employee shall agree to use IDEA's purchase requisition or other purchasing process and/or use their personal line of credit to incur business related expenses and to submit same for reimbursement pursuant to all applicable Board policies.

**Sec. 6. AGREEMENT REQUIRED.**

Each cardholder is required to sign the Corporate Cardholder Agreement **before the card is issued**, affirming that the cardholder understands the intent of the Program, and has read and understands the agreement, and agrees to follow this policy and related administrative procedures.

**Sec. 7. DUTIES AND RESPONSIBILITIES.**

**Sec. 7.1. CORPORATE CARD ADMINISTRATOR.**

Sec. 7.1.1. The Delegates or designee shall be designated the Corporate Card Administrator.

Sec. 7.1.2. The Corporate Card Administrator oversees the administration of IDEA's Corporate Card Program. All corporate card requests and modifications must be processed by the Corporate Card Administrator.

Sec. 7.1.3. The Corporate Card Administrator shall monitor and enforce adherence to Corporate Card policies and procedures by reviewing all transactions.

Sec. 7.1.4. The Corporate Card Administrator shall disclose, in writing, any violation of this policy by any cardholder to the Board's Audit Committee, the Board's Finance Committee, and Internal Audits.

**IDEA PUBLIC SCHOOLS BOARD POLICY  
CORPORATE CARD POLICY**

Sec. 7.1.5. The Corporate Card Administrator shall work collaboratively with Internal Audits to prepare the monthly report required under Sec. 11.3 of this policy.

**Sec. 7.2. CARDHOLDER.**

***Sec. 7.2.1. Prudent Person Rule.***

In their use of the corporate card, cardholders shall limit their use for costs that are ordinary and necessary for the conduct of IDEA's public school and related mission and ensure that said costs, their nature, and amount do not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time that the decision was made to incur the cost.

***Sec. 7.2.2. Abuse and Waste Prohibited.***

Sec. 7.2.2.1. Cardholders shall not use their assigned corporate card to abuse or waste IDEA's financial resources and established lines of credits.

Sec. 7.2.2.2. For purposes of this policy, abuse is defined as behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary business practice given the facts and circumstances. Abuse includes misuse of authority or position for personal financial interests or those of an immediate or close family member or business associate.<sup>4</sup>

Sec. 7.2.2.3. For purposes of this policy, waste is defined as the act of using or expending resources carelessly, extravagantly, or to no purpose. In this context, waste relates primarily to mismanagement, inappropriate actions, and inadequate oversight.<sup>5</sup>

***Sec. 7.2.3. Disclosure of Conflicted, Interested, or Related-Party Transactions.***

IDEA officers shall disclose to the Corporate Card Administrator any business arrangement or transaction with any conflicted,<sup>6</sup> interested,<sup>7</sup> or related<sup>8</sup> party, as defined in other Board policy or applicable law. IDEA officers may not enter into a business arrangement or conduct a transaction in such a manner so as to circumvent this requirement.

***Sec. 7.2.4. Authorized Use.***

Sec. 7.2.4.1. All purchases made on the corporate card must be made by the cardholder or with the cardholder's approval, on behalf of IDEA. The cardholder is responsible for the security of the corporate card and the transactions made with it. Cardholders may not under any circumstance

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<sup>4</sup> *Government Auditing Standards*, Sec. 6.23, 7.25 and 8.122

<sup>5</sup> *Government Auditing Standards*, Sec. 6.21, 7.23 and 8.120

<sup>6</sup> Tex. Ed. Code § 12.1054; 19 TAC §§ 100.1131 through 100.1135

<sup>7</sup> 19 TAC § 100.1047(f)

<sup>8</sup> Tex. Ed. Code § 12.1166

**IDEA PUBLIC SCHOOLS BOARD POLICY  
CORPORATE CARD POLICY**

provide the corporate card for use by any third-party not authorized by the Corporate Card Administrator. Failure to follow the requirements set forth in this policy and related administrative procedures may result in a financial obligation by the cardholder to IDEA and disciplinary action, up to and including termination. Violations shall also lead to revocation of the cardholder's right to have a corporate card.

Sec. 7.2.4.2. The Program carries individual liability and, thus, may affect the cardholder's credit rating for failure to pay the monthly statement balance. Accordingly, cardholders must observe the following requirements.

- (a) Cardholders may only use the corporate card for travel related expenses and the purchase of miscellaneous supplies and non-professional services necessary for the conduct of their assigned duties and responsibilities. Cardholders should adhere to the prudent person rule and use proper discretion in their use of the corporate card.
- (b) Cardholders must use the corporate card in a manner consistent with the Accountable Plan Policy and Employee Awards and Gifts Policy. If the cardholder fails to comply with the Accountable Plan Policy and/or the Employee Awards and Gifts Policy, IDEA shall not reimburse the cardholder any amounts that violate said policy.
- (c) Cardholders' use of their corporate credit card must not exceed the credit limit assigned to their card.
- (d) Being that IDEA is a tax-exempt entity and does not pay Texas and/or Louisiana sales taxes, cardholder must present a copy of IDEA's Texas and/or Louisiana's sales tax exemption form.
- (e) Cardholders may not use the corporate card for component, separate, or sequential purchases<sup>9</sup> to avoid or bypass appropriate purchasing or payment procedures as established under the Board's Purchasing Policy. Importantly, as this program complements the existing purchasing processes available, cardholders are responsible for complying with all applicable requirements.
- (f) The cardholder shall be financially responsible for any amounts charged to their assigned corporate credit card account that is found to be violative of this policy.

***Sec. 7.2.5. Method of Procurement.***

Employees authorized to use the corporate card program to purchase goods and services are required to and shall be responsible for procuring goods and services pursuant to the procurement methods

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<sup>9</sup> Tex. Ed. Code §§ 12.104(b)(1) and 44.032

**IDEA PUBLIC SCHOOLS BOARD POLICY  
CORPORATE CARD POLICY**

identified in the Board's Purchasing Policy. Importantly, cardholders must ensure compliance with federal procurement standards.

***Sec. 7.2.6. Maximum Allowable Travel Costs.***

See Sec. 14 of Board Policy for Travel.

***Sec. 7.2.7. Safeguarding Card.***

Cardholders shall appropriately safeguard their assigned corporate card, including the account number, the related security code, and expiration date to protect against any unauthorized access to IDEA's corporate account. Refer to Sec. 8.3 of this policy.

**Sec. 7.3. RECONCILER.**

Cardholders may designate a subordinate employee as their reconciler. The cardholder's reconciler shall be responsible for collecting all receipts and submitting all supporting documentation for expense reimbursement. However, the cardholder shall remain personally accountable and liable for the accurate, complete, and timely submission of all required documentation, particularly original, itemized third-party receipts. Cardholders shall notify the Delegates, in writing, of the employee assigned reconciler responsibility within five (5) business days of having made said assignment. The Delegates or designee shall train the reconciler on the requirements of this policy and any administrative procedures adopted under this policy within ten (10) business days of having been notified of the employee's assigned reconciler responsibility.

**Sec. 7.4. APPROVER.**

Sec. 7.4.1. The Corporate Card Administrator shall function as the Approver and shall be responsible for approving expense reimbursements to ensure the expense is for a valid, legitimate business purpose in accordance with the Board's Accountable Plan Policy and other policy applicable to the purchase undertaken with IDEA's corporate charge and/or credit account. Additionally, the Approver is responsible for retrieving corporate cards in the event of termination or change in the employment status of a Cardholder under their supervision.

Sec. 7.4.2. For officers listed in Sec. 5(a) through 5(h) of the Board's Authority Over Fiscal Matters policy ("Senior Leadership") and any employee that directly reports to Senior Leadership ("Direct Reports") provided a corporate card, the Approver shall be the Board's Finance Committee. Recognizing that it may not be administratively efficient and cost effective to await the Finance Committee's approval of the charges incurred on the corporate account, the Finance Committee Chair is authorized to approve, on an interim basis, any charges incurred by Senior Leadership and their Direct Reports. Subsequently, the Finance Committee shall ratify or reject, in part or in whole, the Chair's approval. As set forth in Sec. 3(d) of the Board's Authority Over Fiscal Matters policy, the Finance Committee's action is subject to review by the Board.



**IDEA PUBLIC SCHOOLS BOARD POLICY  
CORPORATE CARD POLICY**

**Sec. 7.5. GRANT MANAGER.**

With respect to Federal grants, the Grant Manager shall review all credit card expenses charged to a federal grant or program to ensure compliance with the requirements promulgated at 2 CFR 200.320 and applicable federal statute and regulations relating to authorized activities, prohibited activities, authorized uses of funds, permitted uses of funds and prohibited uses of funds. Additionally, the Grant Manager shall ensure adherence with nonregulatory guidance and policy directives promulgated by the Texas Education Agency (“TEA”), U.S. Department of Education, Texas Department of Agriculture, U.S. Department of Agriculture, and other state and federal grantor agencies.

**Sec. 8. ISSUANCE AND CANCELLATION.**

**Sec. 8.1. ELIGIBLE EMPLOYEES.**

Sec. 8.1.1. Full-time officers listed in Sec. 5(a) through 5(n) of the Board’s Authority Over Fiscal Matters policy and executive assistants of officers listed in Sec. 5(a) through 5(h) are eligible to receive a corporate card upon written request to the Corporate Card Administrator.

Sec. 8.1.2. Other full-time employees and Assistant Principals of Operations may qualify for a corporate card if the scope of their work requires frequent travel (two times a month). In this regard, the employee’s direct manager must submit a written request for a corporate card on behalf of the employee. In the event that the results of the American Express credit check indicates that the employee is not credit worthy and is classified as “guaranteed” status, the employee will be considered ineligible to receive an American Express Corporate Card. If you are a current employee with a guaranteed status prior to May 1, 2020, you will be grandfathered into the policy.

Sec. 8.1.3. The following are **not eligible** to receive a corporate card:

- (a) Part-time employees,
- (b) Contractors,
- (c) Volunteers, and/or
- (d) Any individual that is not a full-time employee.
- (e) Guaranteed employees

**Sec. 8.2. CORPORATE CARD CANCELLATION.**

Sec. 8.2.1. A cardholder’s corporate card may be cancelled for the following reasons:

- (a) Cardholder is no longer employed by IDEA;
- (b) Cardholder changes position and their new position does not meet the requirement for eligibility set forth in Sec. 7.1.1 and 7.1.2 of this policy;
- (c) In using their assigned corporate card, cardholder materially violated this policy or other related Board policy and any pertinent administrative procedures; and
- (d) Cardholder is suspended, placed on administrative leave, or is subject to other disciplinary action.

**IDEA PUBLIC SCHOOLS BOARD POLICY  
CORPORATE CARD POLICY**

Sec. 8.2.2. In the event a corporate card must be cancelled, frozen or suspended, the cardholder and/or approver are responsible for immediately notifying and returning the card to the ~~Corporate Card Administrator~~ HQ Corporate Card procurement team

**Sec. 9. CORPORATE CARD CONTROLS.**

**Sec. 9.1. CREDIT LIMITS.**

Sec. 9.1.1. Monthly Credit Cycle Limit is the amount that can be spent in a credit cycle. The corporate card monthly credit cycle control limits are established as follows:

Job Title	Monthly Credit Limit
Chief	Variable
Executive Assistant	\$4,000
Area Superintendent Regional Superintendent Executive Director	\$6,000
Vice President	\$6,000
Executive Principal	\$10,000
Principal	\$6,000
APO	\$4,000
Director	\$4,000
CNP (RGV, AUS & SAT Regions)	\$4,000

Sec. 9.1.2. Temporary increases to the credit limit on any card are determined by the Credit Card Administrator.

**Sec. 9.2. MERCHANT CATEGORY CODE BLOCK.**

A Merchant Category Code (MCC) Block restricts the Cardholder from using the corporate card at certain unapproved merchant types.

**Sec. 9.3. SECURITY OF THE CORPORATE CARD.**

Sec. 9.3.1. The corporate card must be kept in an accessible but secure location. The corporate card account number, security code, expiration date, associated zip code, and password should be appropriately safeguarded. This information should not be posted in an open area, at work, home, or other location, or left in a conspicuous place. If the cardholder suspects this information has been compromised, they should take appropriate action to mitigate the risk of unauthorized use, such as immediately changing their password to their online account on the card issuer website or contacting the Corporate Card Administrator for assistance.

## **IDEA PUBLIC SCHOOLS BOARD POLICY CORPORATE CARD POLICY**

Sec. 9.3.2. Only the cardholder whose name appears on the face of the card may use their assigned corporate card. In the case of cards assigned to a department, the departmental manager shall limit access to the card to a single designee. Cardholders are permitted to allow their staff to use the corporate card but shall remain personally accountable and liable for any unauthorized use. Cardholders shall not authorize the use of their card by an employee who does not report to them or by any individual who is not an IDEA employee. The cardholder is ultimately responsible for all purchases made with the corporate card and for ensuring compliance with the controls and policies set forth in this policy.

Sec. 9.3.3. The corporate card is to be used for IDEA business purposes only, in conjunction with the employee's job duties. The Corporate Card Administrator shall strictly disallow the use of the corporate card for personal use and the cardholder is fully liable for purchases of a personal nature.

Sec. 9.3.4. If it is determined that a cardholder has intentionally misused the corporate card for personal or fraudulent purposes, the Corporate Card Administrator shall take appropriate action, including the temporary or permanent cancellation of the cardholder's privileges and holding the cardholder financially responsible for any unauthorized purchases. IDEA shall take any and all appropriate disciplinary action, up to and including termination.

### **Sec. 9.4. FRAUDULENT CHARGES.**

Sec. 9.4.1. If the cardholder becomes aware of, or in review of their statement finds that, fraudulent charges have been made with their card, they must immediately contact the card issuer and notify the Corporate Card Administrator. Prompt action can reduce the cardholder's personal liability for fraudulent activity.

Sec. 9.4.2. The cardholder may be asked to complete an affidavit detailing the fraudulent charges.

### **Sec. 9.5. LOST OR STOLEN CARDS.**

Lost cards or stolen cards must be reported directly to the card issuer as soon as the loss is discovered.

### **Sec. 9.6. UNRECOGNIZED TRANSACTIONS AND BILLING ERRORS.**

Sec. 9.6.1. The cardholder may also encounter transactions on their monthly statement that they do not recognize. If this occurs, cardholders must first try to determine if the transaction was simply a billing error from a known merchant or if the transaction is fraudulent.

Sec. 9.6.2. Cardholders' shall dispute with the card issuer any activity that was not authorized by them within 56 days. If a dispute is not initiated within this time period, the corporate card will be suspended by the card issuer. The card issuer will work with cardholder to reconcile the account.

Sec. 9.6.3. It is the responsibility of the cardholder to follow-up on any erroneous charges to ensure proper credit is given on subsequent statements.

**IDEA PUBLIC SCHOOLS BOARD POLICY  
CORPORATE CARD POLICY**

**Sec. 9.7. RETURNS AND CREDITS.**

Sec. 9.7.1. If there is a problem with a purchased item, service, or charge, the cardholder will first attempt to resolve the issue directly with the vendor. All returns shall be reimbursed by credit to the cardholders account. Cash refunds for returns are prohibited.

Sec. 9.7.2. It is the responsibility of the cardholder to follow-up on any returns or adjustments to ensure proper credit is given on subsequent statements. Credits for charges previously reimbursed to an employee will be credited against subsequent reimbursements.

**Sec. 9.8. PERMITTED CORPORATE CARD TRANSACTIONS.**

Transactions that support or serve a valid, legitimate and beneficial purpose necessary in the conduct of IDEA's business affairs will be reimbursed.

**Sec. 9.9. PROHIBITED PURCHASE CARD TRANSACTIONS.**

Although not all inclusive, cardholders shall not use their corporate card for the following types of activities and expenses.

- (a) Alcoholic beverages
- (b) Ammunition, firearms, and detonating equipment
- (c) Any purchase categories blocked through the corporate card MCC blocks (see Sec. 8.2 of this policy)
- (d) Except as provided under Sec. 6.2.4.1 of this policy, any use of the corporate card by someone other than the cardholder
- (e) Any use of funds prohibited under state and/or federal law
- (f) Any use of funds that requires the execution of a contract
- (g) Cash advances and disbursements from financial institutions or ATMs
- (h) Component, separate or sequential purchases<sup>10</sup>
- (i) Computer software that requires IT approval
- (j) Construction services and public works projects
- (k) Consultants or other 1099 reportable services
- (l) Donations
- (m) Food and beverages not associated with travel or a working meal (refer to Sec. 4.4 and 4.5 of the Accountable Plan Policy)
- (n) Fuel for personal vehicles
- (o) Gifts and awards (not deductible under the Internal Revenue Code)
- (p) Gift cards or gift certificates (regardless of the fund source)
- (q) Goods over the designated single purchase or daily limit
- (r) Gratuities using public funds
- (s) Intellectual property

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<sup>10</sup> Tex. Ed. Code §§ 12.104(b)(1) and 44.032

**IDEA PUBLIC SCHOOLS BOARD POLICY  
CORPORATE CARD POLICY**

- (t) Leases for personal property
- (u) Loans
- (v) Medical services
- (w) Narcotics or other controlled substances
- (x) Non-business related or any personal charges
- (y) Personal vehicle maintenance or repair
- (z) Political contributions or lobbying expenditures
- (aa) Pornographic material or anything of a sexual nature
- (bb) Prescription and nonprescription drugs or supplements (including cannabidiol, or CBD, products)
- (cc) Professional services
- (dd) Purchases from vendors in which the cardholder has a financial interest
- (ee) Purchases involving trade-in of IDEA property
- (ff) Texas and other state hotel (e.g., Louisiana) occupancy tax
- (gg) Texas motor vehicle rental tax
- (hh) Texas state sales tax for goods or services
- (ii) Tobacco products (including vapes and e-cigs)
- (jj) Any item purchased from a merchant who does not provide itemized receipts
- (kk) Any other expenditure expressly prohibited by IDEA's Purchasing Policy or other policy governing the appropriate use of funds

**Sec. 9.10. ALCOHOLIC BEVERAGES.**

It is illegal to have alcohol on IDEA school property. It is a criminal offense for alcohol to be on any public school owned property. As an open enrollment charter school, IDEA prohibits the purchase of alcohol regardless of the funding source or procurement method.

**Sec. 9.11. PURCHASE DOCUMENTATION.**

Sec. 9.11.1. For each transaction, cardholders shall provide:

- (a) a sufficiently detailed description of:
  - (1) the specific purpose for the transaction, such as an agenda for or the particular subject matter discussed during any meeting that was part of the transaction;
  - (2) how said purpose directly benefits IDEA, such as the specific agreement or understanding obtained during a meeting that furthers the Board's established objectives;
  - (3) the names of the individuals who were part of the transaction, including the organization they represented and the official capacity in which they represented said organization; and
- (b) the original, itemized third-party receipts and other such records that fully disclose the goods and/or services purchased.

## **IDEA PUBLIC SCHOOLS BOARD POLICY CORPORATE CARD POLICY**

Sec. 9.11.2. All purchases with the Corporate Card require an original, itemized third-party receipt to document the details of the expenditure. The charge slip by itself is not adequate documentation – **an itemized receipt or bill of sale is required.** Furthermore, credit card regulations require that the merchant include a receipt that details the items purchased, the dollar amount of each item, and the total dollar amount of the transaction.

Sec. 9.11.3. An itemized receipt means that the date of the transaction is disclosed, the number of items purchased is provided, a clear and specific description of each item purchased is included (i.e. “gen. mdse”, “misc.”, or “tax exempt item” are not adequate descriptions), and the price for each item purchased is listed along with subtotal, tax exemption, and total. Vendor’s name and other identifying information (e.g., physical address, phone number) must appear imprinted or stamped on all receipts. Adding machine tape with item description written alongside is not an itemized receipt.

Sec. 9.11.4. It is the responsibility of each cardholder to ensure that they are provided by the vendor with a receipt conforming to the requirements set forth in Sec. 8.11.1 and 8.11.2.

Sec. 9.11.5. Cardholders that do not adhere to the receipt retention policy will not be reimbursed.

Sec. 9.11.6. Lost receipts are NOT an option. If no supporting receipt is provided, the charges shall become the personal responsibility of the cardholder.

Sec. 9.11.7. See the Accountable Plan Policy for additional purchase documentation required for reimbursement.

### **Sec. 9.12. TAX EXEMPT STATUS.**

IDEA is tax exempt in the States of Texas and Louisiana. The Corporate Card allows cardholders to make tax-free purchases. If vendors ask for additional documentation, the cardholder should be prepared with the following documents:

- (a) Texas Sales and Use Tax Exemption Certification
- (b) Louisiana Sales and Use Tax Exemption Certification
- (c) Texas Hotel Occupancy Tax Exemption
- (d) Texas Motor Vehicle Rental Tax Exemption

### **Sec. 9.13. MERCHANT DECLINE.**

If an attempt is made to purchase something outside the authorized merchant type or with an amount that exceeds the single item purchase limit or other preset control, the card may be declined by the merchant. Cardholder must be aware of authorized purchase types, credit limits, and available funds.

### **Sec. 9.14. OUTSTANDING CORPORATE CARD BALANCE.**

Upon cardholder’s notification of their separation from IDEA, all pending corporate card transactions must be submitted through an expense report in IDEA’s expense management system. If the cardholder fails to do so, the balance of the cardholder’s outstanding charges will be deducted from his/her last paycheck to the maximum extent permitted by applicable law. If the cardholder’s

**IDEA PUBLIC SCHOOLS BOARD POLICY  
CORPORATE CARD POLICY**

last paycheck is insufficient to settle the full balance of their outstanding charges, IDEA shall hold the cardholder legally responsible for the outstanding balance and issue a demand that the former cardholder issue payment to IDEA or directly to card issuer within ten (10) business days of separation. Furthermore, the card issuer will report any outstanding balances greater than sixty (60) days to the credit agencies, which may negatively affect the former cardholder's credit rating.

**Sec. 10. MONTHLY STATEMENT AND REIMBURSEMENT PROCESS.**

**Sec. 10.1. ONLINE ACCESS.**

Cardholders may access and review corporate card transactions online and setup and receive account alerts via e-mail or mobile phone.

**Sec. 10.2. MONTHLY STATEMENT.**

Sec. 10.2.1. Statements are available (online) to all cardholders on or about the 30th calendar day of every month. Cardholders must verify that all transactions on the statement are authorized business transactions.

Sec. 10.2.2. IDEA corporate card billing cycle closes on or about the 28<sup>th</sup> of each month. Cardholders must submit ALL corporate card transactions for review by the 2<sup>nd</sup> business day of the following month through an expense report in IDEA's expense management system. If a cardholder fails to comply, cardholder's corporate card may be temporarily suspended until the cardholder has submitted ALL prior month expenses for review.

**Sec. 10.3. REQUIRED RECORDS.**

Employees authorized to use the corporate card program shall request reimbursement and attach supporting documentation for each purchase through MUNIS Employee Self-Service. Accordingly, IDEA requires participating IDEA employees to provide an original, itemized vendor receipt or invoice for each corporate card purchase including supporting documentation substantiating the business purpose in accordance with the Accountable Plan Policy.

**Sec. 11. VIOLATIONS AND PENALTIES.**

**Sec. 11.1. PENALTIES.**

**Sec. 11.1.1.** Employees who violate the Corporate Card Policy may be subject to one or more of the following actions: written warning, suspension, or revocation of corporate card privileges, subject to financial obligation, disciplinary action including termination and/or criminal prosecution, and/or referral to TEA Division of Educator Investigations.

Sec. 11.1.2. However, recognizing the possibility for the occasional, meaning unusual and infrequent, unintended personal use of the corporate card, if the cardholder: (1) notifies their reconciler or corporate card administrator in a timely fashion (within 3 business days); (2) reimburses IDEA for the personal charge within thirty (30) business days; and (3) the frequency of personal use is minimal (no more than one transaction/month), this should be brought to the attention of the

**IDEA PUBLIC SCHOOLS BOARD POLICY  
CORPORATE CARD POLICY**

Corporate Card Administrator for review and may not be based on their review be a reportable event under Section 7.1.4 and Section 11.1.1.

Sec. 11.1.3. Except as otherwise provided herein, the following violations will result in no reimbursement by IDEA. Consequently, the cardholder shall assume individual liability for the charges on their corporate card account:

*Sec. 11.1.3.1. Meal Violations.*

- (a) Alcoholic beverages (see Sec 8.10)
- (b) Refreshments/snacks during travel whether inside or outside of metro area
- (c) Non-business meals / informal meeting
- (d) Over allowable per meal rates related to travel or working meal
- (e) Gratuities using public funds

The above expenses are considered personal expenses.

*Sec. 11.1.3.2. Gift & Award Violations (not deductible under the Internal Revenue Code).*

- (a) Baby/Bridal shower gifts and related expenses
- (b) Birthday gifts and related expenses
- (c) Wedding gifts and related expenses
- (d) Retirement/Going away
- (e) Bereavement
- (f) Appreciation week/day gifts for teachers, principals, counselors, secretaries or bosses.
- (g) Flowers
- (h) Edible arrangements
- (i) Gift certificates/Gift cards
- (j) Gratuities using public funds

The above expenses are considered personal expenses.

*Sec. 11.1.3.3. Non-Compliance of Program.*

- (a) Lost receipts
- (b) Non-itemized receipts
- (c) Texas state sales tax
- (d) Louisiana state sales tax
- (e) Texas state hotel occupancy tax
- (f) Texas motor vehicle rental tax
- (g) Travel meals for which per diem was received
- (h) Personal use

Any charges of a personal nature are strictly prohibited.



**IDEA PUBLIC SCHOOLS BOARD POLICY  
CORPORATE CARD POLICY**

***Sec. 11.1.4. Penalty Escalation Matrix.***

The following escalation matrix will be followed and tracked for violations and penalties.

- First offense: Written warning, manager notified
- Second offense: 30-day card suspension, manager notified
- Third offense: 90-day card suspension, manager & Chief notified
- Fourth offense: Permanent card cancellation, manager, Chief and CFO notified.

**Sec. 11.2. FAILURE TO DOCUMENT.**

If an employee fails to provide the required substantiating records and document the business purpose in accordance with Sec. 8.11 of this policy and the Accountable Plan Policy, the employee will not be reimbursed and will remain individually and personally financially liable for the costs charged to the corporate card.

**Sec. 11.3. CARDHOLDER APPEALS.**

Within ten (10) calendar days of being notified of a violation resulting in a sanction against the cardholder, the cardholder may submit a request to the Corporate Card Administrator for a review of the decision to impose a violation penalty.

**Sec. 12. CORPORATE CARD PROGRAM AUDITS.**

Sec. 12.1. The Corporate Card program is subject to both internal and external audits to ensure that purchases are in compliance with IDEA policies. The audit process may include a compliance review as well as the regular financial audit process.

Sec. 12.2. The audit may include review for items such as the completeness of cardholder records, incomplete receipt retention, and purchases that are outside policies either in nature or amount.

Sec. 12.3. For charges incurred by Senior Leadership and their Direct Reports, Internal Audits shall examine all transactions and provide to the Board's Audit Committee and Finance Committee a monthly report that assures, in accordance with the *International Standards for the Practice of Internal Auditing*, that Senior Leadership and their Direct Reports:

- (a) disclosed any business arrangement or transaction with any conflicted, interested, or related party, as defined in other Board policy or applicable law;
- (b) did not enter into a business arrangement or conduct a transaction in such a manner so as to circumvent the disclosure requirement set forth in subsection (a) above;
- (c) incurred charges for purposes authorized by the Board in the annual operating budget for the officer's specific office or organizational unit, as adopted and amended, and all applicable Board policies;

**IDEA PUBLIC SCHOOLS BOARD POLICY  
CORPORATE CARD POLICY**

- (d) appropriately used philanthropic, state, and federal grant funds for activities and costs authorized by the grantor or authorized, allowed, or otherwise not prohibited under applicable law and rule;
- (e) expended funds in a cost efficient manner by applying the prudent person rule, adhering to applicable purchasing requirements, such as obtaining quotes for small purchases, or conforming to applicable limits, such as the maximum per diem rates promulgated by the Texas Comptroller of Public Accounts and U.S. General Services Administration;
- (f) as applicable, procured goods and services through the purchasing methods authorized and required in the Board's Purchasing Policy and pursuant to applicable state or federal law or rule;
- (g) did not procure goods and services in such a manner as to violate the state's prohibition against component, separate, and/or sequential purchases including the Board's Purchasing Policy;<sup>11</sup>
- (h) did not incur any charges of a personal nature; and
- (i) accurately, completely, and timely submitted the records required under this and other Board policy, including:
  - (1) a sufficiently detailed description of:
    - (A) the specific purpose for the transaction, such as an agenda for or the particular subject matter discussed during any meeting that was part of the transaction;
    - (B) how said purpose directly benefits IDEA, such as the specific agreement or understanding obtained during a meeting that furthers the Board's established objectives;
    - (C) the names of the individuals that were part of the transaction, including the organization that they represented and the official capacity in which they represented said organization; and
  - (2) the original, itemized third-party receipts and other such records that fully disclose the goods and/or services purchased.

Sec. 12.4. To the degree appropriate and to minimize the duplication of effort, Internal Audits may collaborate and coordinate its examination under subsection (c) above with the Business Office.

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<sup>11</sup> Tex. Ed. Code §§ 12.104(b)(1) and 44.032

**IDEA PUBLIC SCHOOLS BOARD POLICY  
CORPORATE CARD POLICY**

**Sec. 13. TRAINING AND UPDATES.**

The Delegates or designee shall properly train or ensure training is provided to IDEA officers and employees on the requirements of this policy and any administrative procedures adopted to implement this policy. Additionally, the Delegates or designee shall keep IDEA officers and employees informed of any changes to this policy and related requirements.

**Sec. 14. ADMINISTRATIVE PROCEDURES.<sup>12</sup>**

The Delegates shall formally adopt administrative procedures as reasonably necessary to properly administer this policy and to adhere to applicable law and rule. In doing so, the Delegates shall not adopt, and are prohibited from adopting, an administrative procedure that conflicts with applicable law or this policy. Accordingly, the Delegates shall confer with the Board or legal counsel before deviating from the requirements set forth in this policy. In the event that a deviation from this policy becomes necessary, the Delegates shall either recommend an amendment to this policy or the Board's approval of a specific deviation, including the purpose, scope and duration of the requested deviation.

**Sec. 15. DATE ADOPTED AND EFFECTIVE.**

As set forth in the pertinent minutes to the meeting of the Board, the Board amended this policy on July 17, 2020, and it became effective on July 17, 2020.

**Sec. 16. RETENTION.<sup>13</sup>**

This policy shall be retained until superseded, expired, or discontinued and for five (5) years thereafter in accordance with state law.

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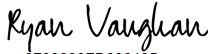
<sup>12</sup> Consistent with 19 TAC § 100.1033(b)(14)(C)(iv), the Board has the final authority to adopt policies governing charter school operations, including authorizing the Delegates or designee to adopt an administrative procedure to implement this policy. Moreover, as set forth in IDEA's Articles of Incorporation and Bylaws and in accordance with Tex. Bus. Org. Code §§ 3.101 and 22.201, the Board is IDEA's governing authority and, as such, manages and directs IDEA's business and affairs through Board actions, resolutions and policy.

<sup>13</sup> Tex. Ed. Code §12.1052; 19 TAC §100.1203; See Record Number GR1000-38 and GR1025-25 in Local Schedule GR: Records Common to All Local Governments, Revised 5th Edition (Effective April 17, 2016) adopted by the Texas State Library and Archives Commission at Texas Administrative Code, Title 13, §7.125(a)(1).

**IDEA PUBLIC SCHOOLS BOARD POLICY  
CORPORATE CARD POLICY**

**Sec. 17. CERTIFICATION.**

The Undersigned, being the Secretary of the Corporation, hereby certifies that the foregoing represents a true copy of the Board Policy relating to the Corporate Card, as originally adopted by the Board on May 1, 2020, and as subsequently amended by the Board on June 12, 2020, and July 17, 2020, which Policy, as amended, is in full force and effect and has not been revoked or amended.

DocuSigned by:  
  
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\_\_\_\_\_  
Ryan Vaughan, Secretary

7/22/2020

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Date Certified