

Office of the General Counsel
Walter J. Harvey, General Counsel

SUBJECT: INITIAL READING: PROPOSED AMENDMENTS TO POLICY 6424,
PURCHASING CARDS

COMMITTEE: FISCAL ACCOUNTABILITY & GOVERNMENT RELATIONS

LINK TO STRATEGIC PLAN: EFFECTIVE & SUSTAINABLE OPERATIONAL PRACTICES

At its regular meeting of February 13, 2024, the School Board approved Board Item H-8 (Revised), "Enhancement to P-Card and Travel Card Policy," proffered by Board Member Danny Espino, which authorized the Superintendent, along with the General Counsel, to codify within Board policy the corrective actions recently taken by the Superintendent to limit and increase oversight of purchasing card and travel card use. As outlined in the Superintendent's memorandum of January 24, 2024, these updated measures include: (a) having card holders provide specific documentation when submitting monthly reconciliations to the Accounts Payable department; (b) clarifying that credit line increases on purchasing cards and travel cards cannot exceed a card holder's yearly budget allocation; (c) having the Chief Financial Officer review and approve the reconciliations of Board members and their direct reports, in addition to the Superintendent and his Chief of Staff; and (d) having both the Chief Financial Officer and Superintendent's Chief of Staff directly oversee and provide final approval of requests for credit line increases.

Policy 6424, *Purchasing Cards*, is proposed for amendment pursuant to Item H-8 to incorporate the District's updated practices. Consistent with the Superintendent's memorandum, the amended policy would provide that the Accounts Payable department will require specific documentation in reviewing and approving monthly reconciliations; that the reconciliations of Board members and their direct reports will be subject to the Chief Financial Officer's final review and approval; that credit line increases on purchasing cards and travel cards may not exceed a card holder's yearly allocated budget; and that credit line increases on purchasing cards and travel cards require the approval of both the Chief Financial Officer and the Superintendent's Chief of Staff. The policy is additionally proposed to be renamed, "Purchasing Cards and Travel Cards," to clarify that its prohibitions apply to both types of cards issued by the District.

These amendments were drafted in collaboration with, and reviewed by the Superintendent, Cabinet, and District staff, as well as the Office of the Inspector General and Office of the Chief Auditor. The Notice of Intended Action and policy with strikethroughs and underlines are attached.

RECOMMENDED: That The School Board of Miami-Dade County, Florida, authorize the Superintendent to initiate rulemaking proceedings in accordance with the Administrative Procedure Act to amend Policy 6424, *Purchasing Cards*.

NOTICE OF INTENDED ACTION

THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA, announced on April 17, 2024, its intention to amend School Board Policy 6424, *Purchasing Cards*, at its meeting of June 18, 2024.

PURPOSE AND EFFECT: Policy 6424, *Purchasing Cards*, is proposed for amendment in response to Board action to reflect changes in District practice, including limiting purchasing card and travel card use and having specific District offices and officials provide increased oversight. For clarity, the policy is also proposed to be renamed.

SUMMARY: Policy 6424, *Purchasing Cards*, is proposed for amendment pursuant to Board action to reflect updated District practices regarding purchasing cards and travel cards. The policy would be amended to provide that the Accounts Payable department will require specific documentation in reviewing and approving monthly reconciliations; that the reconciliations of Board members their direct reports, the Superintendent and his Chief of Staff will be subject to the Chief Financial Officer's final review and approval; that credit line increases on purchasing cards and travel cards may not exceed a card holder's yearly allocated budget; and that credit line increases on purchasing cards and travel cards require the approval of both the Chief Financial Officer and the Superintendent's Chief of Staff. The policy is additionally proposed to be renamed, "Purchasing Cards and Travel Cards," to clarify that its prohibitions apply to both types of cards issued to District employees.

SPECIFIC LEGAL AUTHORITY UNDER WHICH RULEMAKING IS AUTHORIZED: Fla. Stat. ss. 1001.41(1)–(3); 1001.43.

LAWS IMPLEMENTED INTERPRETED OR MADE SPECIFIC: Fla. Stat. ss. 1001.43.

IF REQUESTED, A HEARING WILL BE HELD DURING SCHOOL BOARD MEETING OF June 18, 2024, which begins at 1:00 p.m., in the School Board Auditorium, 1450 N.E. Second Avenue, Miami, Florida 33132. Persons requesting such a hearing or who wish to provide information regarding the statement of estimated regulatory costs, or to provide a proposal for a lower cost regulatory alternative as provided in Section 120.54(1), F.S., must do so in writing by May 14, 2024, to the Superintendent, Room 912, at the same address.

ANY PERSON WHO DECIDES TO APPEAL THE DECISION made by the School Board of Miami-Dade County, Florida, with respect to this action will need to ensure the preparation of a verbatim record of the proceedings, including the testimony and evidence upon which the appeal is to be based. (Section 286.0105, Florida Statutes)

COPIES OF THE PROPOSED BYLAW are available at cost to the public for inspection and copying in the Citizen Information Center, Room 158, 1450 N.E. Second Avenue, Miami, Florida 33132.



Book	Policy Manual
Section	April 17, 2024 - <u>Initial</u> Reading
Title	PURCHASING CARDS
Code	6424
Status	<u>Initial</u> Reading

6424 - **PURCHASING CARDS AND TRAVEL CARDS**

Purchasing cards and travel cards may be used to make small dollar purchases and acquire materials and supplies as needed for operations.

I. Limitations on Use of Purchasing Cards and Travel Cards

- A. Purchasing cards and travel cards shall not be used to circumvent the general purchasing procedures established by sState law and School Board policy. Purchasing cards and travel cards shall only be used for expenses in connection with Board-approved or school-related activities, that benefit the District and serve a valid and proper public purpose. (See Policy 6480, Expenditures.) Though a credit line increase on a purchasing card or travel card may be authorized in accordance with this Policy, expenditures on such cards cannot exceed a card holder's yearly budget allocation. (See Policy 6320, Purchasing.)
- B. The Superintendent shall develop administrative procedures that specify those authorized to use purchasing cards and travel cards, the types of expenses which can be paid with using purchasing such cards, and their proper supervision and use. Personal, inappropriate or illegal use of the purchasing card or travel card and/or failure to strictly comply with the limitations and requirements set forth in the administrative procedures may result in actions including but not limited to: (a) a loss of purchasing card and travel card privileges; (b) disciplinary action, up to and including termination; (c) personal responsibility for any and all inappropriate charges, including finance charges and interest assessed in connection with the purchase;

and/or (d) possible referral to law enforcement authorities for prosecution.

II. Oversight of Purchasing Card and Travel Card Use

- A. The Accounts Payable department will review monthly the expenditures of all purchasing card and travel card holders. In conducting this review, the Accounts Payable department will require all card holders to submit monthly reconciliation work sheets (FM-5828), corresponding bank statements, and any and all additional documentation substantiating the charges listed on the work sheets and bank statements, including but not limited to signed purchase authorization forms (FM-5707); invoices or written confirmations from vendors identifying products and their prices; receipts (or, in the absence thereof, written explanations of charges); and packing slips, if applicable, or written acknowledgments that goods and services purchased were received.
- B. Monthly reconciliations of the purchasing card and travel card expenditures of Board members, the General Counsel, the Chief Auditor, the Inspector General, the Superintendent, and the Superintendent's Chief of Staff are subject to the final review and approval of the Chief Financial Officer. Monthly reconciliations of all other card holders' expenditures are subject to the final review and approval of an authorized official in the Accounts Payable department.
- C. Credit line increases on purchasing cards and travel cards for all card holders must be submitted to the Chief Financial Officer and reviewed and approved by both the Chief Financial Officer and Superintendent's Chief of Staff.

Legal References:
F.S. Chapter 112
F.S. 1001.43(2)

Effective 07.01.11

Adoption Date: 05.11.2011