

Thinking About a Purchasing or Credit Card Program for Your District? Here's What You Need to Know Before You Get Started

by Joshua Jumper, CPA, CGFM, Audit Partner

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School districts are always looking for better ways to manage spending. One popular solution is using purchasing cards (P-Cards) or credit cards to streamline how goods and services are bought. These tools can make things faster and more efficient—but they need to be used wisely. Before you move forward, it's important to understand how they work, how they differ, and what it takes to manage them responsibly.

P-Cards are best for small, routine purchases. They come with built-in controls like spending limits and restrictions on where they can be used (through the use of MCC codes). Because P-Card programs are typically centrally managed, it's easier to oversee and reduce misuse. Credit cards, on the other hand, are more flexible. They usually have higher spending limits and fewer restrictions, making them a better fit for travel and less routine needs. Credit cards are most often held centrally by a designated employee in the Business Office and then checked out as needed.

There are many benefits to launching a P-Card or credit card program. These include faster purchases, quicker deliveries, and simpler payment processes. Card programs can also cut down on paperwork, offer better control over spending, and sometimes even come with rebate opportunities. For staff, it means smoother workflows. For finance teams, it increases efficiency if setup properly on the front end. And for vendors, it often means quicker payments with less hassle.

Before you roll out a card program, take time to review your current purchasing habits. Think about what types of items you're buying, who's doing the purchasing, and which vendors you use most often. If you're working with vendors who don't accept purchase orders, a card program could be a helpful solution. It's also smart to weigh the upfront time and resources needed to create policies and track spending, compared to the effort of processing traditional purchase orders and checks.

Of course, there are risks to manage. Using cards can open the door to unauthorized or inappropriate purchases. Your team needs to have a plan to prevent this—and follow procurement rules at all levels. When choosing a card provider, consider how easy the system is to use, what kind of fees it charges, whether it offers online management tools, and how secure it is.

Clear roles and responsibilities are essential for success. Cardholders are expected to place orders, collect itemized receipts, and reconcile their statements every month. If a card is lost or misused, they need to report it right away. Site administrators are responsible for reviewing receipts and documentation. The card administrator keeps track of issued cards, monitors transactions, manages limits and merchant categories, and ensures the reconciliation process is followed. Finance staff handle payments and make sure no balances carry over month to month.

It's also critical to separate duties. The person who requests a card shouldn't be the one who issues it, uses it, and processes its payments. Responsibilities should be shared among different people to prevent fraud and error.

Another issue to watch for is unused or forgotten cards—especially when employees leave the District. Cards should be reviewed regularly, and those no longer in use should be turned in and deactivated during the employee exit process.

Avoiding late fees and finance charges is another key concern. Staff need to know payment due dates, and the District should not delay payments just because a receipt is missing. There should be a backup plan to ensure timely payment, even if some documentation is still pending. Issues with employees submitting receipts for their purchases is an operational issue that should not impact paying the monthly balance to avoid late fees.

Training is also a must. Every card user should attend an orientation that covers card policies, acceptable and unacceptable purchases, and the consequences of breaking the rules. Signed user agreements should be kept on file to document that training took place.

Districts should also keep an eye out for suspicious activity. Red flags include purchases that seem personal, charges made outside of regular hours, unusually high fuel expenses, and items unrelated to an employee's job. Watch for mismatches between receipts and card statements or multiple purchases from the same vendor in a short period. Remember that these purchases are foregoing the 'standard' purchase approval process and there are less up-front controls!

In the end, a well-managed card program can save time, increase efficiency, and potentially save money for your District. But success depends on careful planning, clear policies, and constant oversight. When handled properly, it not only improves operations—it also helps protect your District's financial integrity.

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