

DEPARTMENT OF WORKFORCE DEVELOPMENT
DIVISION OF WORKFORCE SOLUTIONS
ADMINISTRATOR'S MEMO SERIES

ACTION 03-20

ISSUE DATE: 10/03/2003
DISPOSAL DATE: Ongoing

RE: WIA TITLE 1 CREDIT CARD
USAGE

To: Workforce Development Board, Executive Directors

From: Bettie A. Rodgers /s/
Division Administrator

PURPOSE: To provide guidance on Workforce Investment Act (WIA) Title I credit card usage, and to encourage Workforce Development Boards (WDBs) to establish/revisit their local policy and operating procedures.

LEGISLATIVE REFERENCES: Standards for fiscal control and accounting procedures must be in accordance with the Generally Accepted Accounting Procedures (GAAP) and administrative rules specifically enumerated in § 667.200 of 20 CFR.

BACKGROUND: The Program Year (PY) 2002 onsite monitoring of WDBs/WIA Title 1 identified inadequate or obsolete local policies related to agency credit card use at many WDBs. These deficiencies included:

1. No written policy on credit card usage
2. No vendor invoices attached to monthly statements
3. High credit limits
4. Questionable need for underutilized cards
5. Little or no Board of Director's involvement in credit card system (e.g. oversight of charges and payments)

POLICY: WDBs should have written policies and operating procedures for credit card use that meet the WIA Title I fiscal and accounting requirements. Local policies and procedures should include:

- Instructions on employee responsibility and written acknowledgements signed by the employee
- Spending and transaction limits for each cardholder both per transaction and on a monthly basis
- Written requests for higher spending limits
- Record-keeping requirements, including review and approval processes

- Clear guidelines on the appropriate uses of cards, including approved and unapproved merchant categories
- Guidelines for making purchases by telephone, fax or internet
- Periodic audits for card activity and retention of sales receipts and documentation of purchases
- Procedures for handling disputes and unauthorized purchases
- Procedures for card issuance and cancellation, lost or stolen cards, and employee termination
- Segregation of duties for payment, accounting and reconciliation
- Procedures for transferring paper records to electronic record storage, if applicable.

ACTION SUMMARY STATEMENT: WDBs should establish or review existing policies/procedures on credit card use to ensure they are up to date and responsive to the above policy.

CONTACT: For additional fiscal guidance contact Jim Foelker at (608) 266-3623 or james.foelker@dwd.state.wi.us

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